



Carrington plan for EEC

Lord Carrington, the Foreign Secretary, put forward a three-point plan for the development of the EEC when he addressed the European Parliament in Strasbourg at the start of Britain's six months presidency of the Community. Page 3

Missile costs soar, Nott says

Reports in *The Times* that the Defence Ministry had experienced difficulties with the Royal Navy's £1,000m Chevaline improvement to its strategic nuclear deterrent were confirmed by Mr John Nott, Cost of the programme had "gone bananas", he said. Page 3

Gilts hit by new stock pricing

The Government is believed to have sold only half its latest £1,000m issue of index linked gilt-edged stock. The result is even more disappointing because the authorities have been forced to offer a higher than expected yield on stock already sold. Page 23

Polish dockers halt ports

All ports in Poland came to a halt yesterday as dockers struck for an hour. They threatened an indefinite strike unless their demands for recognised rights and conditions were met. Page 8



Admiral is new Playboy chief

Playboy's new chairman and managing director made his debut yesterday without a bunny girl in sight. He is Admiral Sir John Treacher, retired, and his job is to save the club's casino licences when the Gaming Board and police voice objections to their renewal next September. Back page

War criminal goes free

Concentration camp survivors protested angrily when a Nazi war criminal who helped send 25,000 Belgian Jews to their death walked free from court yesterday after he was released pending confirmation of seven years in jail. Page 10

Home of the Muse found

Italian archaeologists have identified Propertius' Home of the Muse at Assisi. It has wall-paintings and Greek verses describing them. It is the only house of a Greek or Roman poet to have survived from antiquity. Page 15

Gold price falls

The price of gold fell \$9 yesterday to close at \$398.50, the first time it has been below \$400 since November 1979. High United States interest rates and the resulting strength of the dollar are cited as the causes of gold's decline in value. Page 23

Brearely returns

Mike Brearely has been recalled to captain England in the next three Test matches against Australia but has confirmed that he is not available to tour India in the winter. Surrey will meet Somerset in the Benson and Hedges Cup final. Page 19

Eighth man joins the IRA hunger strikers

Atkins fails to defuse Maze crisis

From Tim Jones and Richard Ford, Belfast

The hunger strike in the Maze prison, near Belfast, which has polarised opinion in two communities and increased tension and violence to a dangerous level, is to continue. That became clear last night when Mr Humphrey Atkins, Secretary of State for Northern Ireland, said that the only key to advancement was for the prisoners to call off their action, which has already claimed five lives. He said there was scope for further negotiation but not under duress.

The Provisional IRA responded by announcing that another prisoner, Patrick McGowan, aged 25, was joining the hunger strike. The Government's response was greeted with dismay by the Irish Commission for Justice and Peace, which had been trying for five days to break the deadlock. They said they did not regard Mr Atkins's statement as a serious attempt to end the crisis.

The message from Mr Atkins was relayed to the seven hunger strikers by a senior civil servant at 7.30 am yesterday, two hours, 19 minutes after Mr Joseph McDonnell had died on the sixtieth day of his fast.

After a Northern Ireland Office issued a statement saying he had "taken his own life by refusing food and medical attention", west Belfast was overtaken by sporadic violence. One youth aged 15 was shot dead when the Army opened fire on a mob who, they said, were about to launch a petrol bomb attack on a bus depot. Local people claimed he had been murdered in cold blood. Cars and vans were hijacked and set alight and gunshots opened fire on Army posts.

As hopes of ending the crisis faded, it became clear that the hunger strikers and the Government are mutually suspicious of each other.

On the one hand, the Maze prisoners say they are unwilling to end their strike until the Government meets in full their five demands while the Government states that there can be no concessions until they abandon the strike.

Reading from a statement by Mr Atkins, the civil servant told the seven hunger strikers how far the Government was prepared to go towards meeting their demands. Prisoners, the statement said, would be able to wear their own clothes for three hours each evening, at weekends and during exercise periods.

"At all other times they would wear civilian-type clothing of a non-uniform kind. By comparison with most other Western countries this is a liberal regime but we would not rule out the possibility of further development."

This is a crucial obstacle since the prisoners want to wear their own clothes at all times. Mr Atkins's insistence that no prisoners can be excluded from work in the prison workshops also conflicts with the republican demands for the right to organise their own activities within the prison compounds.

On another crucial question, the extent to which the prisoners would be allowed to associate with each other, the two sides seem to be close to reaching an understanding. On Saturday the 12-block prisoners indicated that they envisaged free association within each wing of the blocks which are designed to accommodate 25 people. They said: "We do not envisage ourselves (although Mr Atkins does) running around the block as we please in large numbers."

Yesterday, Mr Atkins blocked that he would give serious consideration to the suggestion by the commission that adjacent wings should share association in recreation room and exercise areas. This, the statement said, depended on satisfactory arrangements being made for supervising and controlling movement. It could take time to arrange the necessary physical facilities to do this.

On the question of parcels and visits, the Government more than meets the prisoners' demands and answers their calls for remission by stating that a sentence can be halved for good behaviour. In practice prisoners who have given up their protest have had up to one-fifth of their remission restored.

Provisional Sinn Féin, the political wing of the Provisional IRA, said that Mr McDonnell had been "murdered" by the British Government because he refused to surrender his principles as an Irish republican. Unless the British Government conceded the demands, the remaining prisoners would continue the hunger strike.

"They disguised the Irish commission," said a well-known republican, "and accused leading political and religious figures, including Cardinal Tomás O'Fiaich, Roman Catholic Primate of All Ireland, of 'indifference and inactivity' which has facilitated British intransigence."

In Dublin, Dr Garret FitzGerald, the Irish Prime Minister, revealed that he had been in touch with Mrs Margaret Thatcher and hoped that Mr McDonnell's death would not be used as an excuse to delay Continued on back page, col 2

Gas unions to strike over showroom sale

By Rupert Morris

A one-day strike on Monday and the possibility of an indefinite strike soon afterwards were announced yesterday by unions representing 106,000 workers in the gas industry. Up to 14 million consumers could be affected.

The strike notice was in response to the Government's decision to allow the sale of gas showrooms to private companies. The British Gas Corporation is to sell off its 938 showrooms within five years, and to cease its retailing activities. The unions claim that 30,000 jobs are at risk, and 3,500 staff are directly employed in the showrooms.

British Gas is worried that, if the unions carry out their threat, they might have to seal off gas supplies in every affected household, breaking in by force if necessary.

Mr David Schraker, national officer of the National and Local Government Officers' Association (NALGO), one of the unions, said yesterday: "We shall fight with all means this insane decision. Union members will demonstrate their disgust by a day's strike on July 13."

"If our fears are confirmed, there is no way the Government will avoid an all-out strike."

The decision to order the sale of gas showrooms was taken in spite of opposition from Mr David Howell, Secretary of State for Energy, and several other senior ministers.

The Consumers' Association, manufacturers of gas appliances and the British Gas Corporation have all fought against the move.

But the Prime Minister is understood to have thought it to be a vital step in the Government's policy on selling to the private sector parts of the nationalised industries, a policy which so far has made little progress.

Last year's report on British Gas by the Monopolies and Mergers Commission concluded that the corporation's monopoly had acted against the public interest by restricting competition in the retailing of gas appliances.

Mrs Oppenheim said in her statement yesterday: "Having



Residents of Moss Side, Manchester, watching workmen make safe the shells of buildings burnt out in overnight rioting.

Thatcher pleads with parents and teachers to stop young from turning to violence

By George Clark and Stewart Tendler

Revising her script for a Conservative Party political broadcast on television last night in order to comment on the riots in Liverpool, Mrs Margaret Thatcher carefully avoided any reference to unemployment as one of the causes of recent outbreaks of violence in Britain's big cities.

In the Commons on Tuesday, the Prime Minister had acknowledged that unemployment and, by implication, the Government's economic policy, could be among the causes of recent disturbances.

Last night, however, she refrained to do so, which have horrified us all," and appealed to parents, grandparents, teachers, people in jobs, without jobs, black or white, to use their influence to dissuade people from violence.

"We all know that violence will destroy everything we value," Mrs Thatcher said. "Government and Parliament can make the law. Police and courts can uphold the law. But a free society will only survive if we do not let it be destroyed by the lawless and teach our children to do so."

"That is why the violence must be stopped. The law must be upheld. People must be protected. Then we can put these terrible events behind us, we can begin to rebuild confidence. That is the urgent priority."

When it was put to one of Mrs Thatcher's political advisers that she might have been more positive about the measures the Government intended to introduce "to rebuild confidence", he said that within a brief political broadcast it was not possible to enlarge on that statement.

In Whitehall officials were tackled on the same subject, but they confirmed that the Government was still working on the expansion of youth employment schemes and had nothing yet to announce. It would be ready with a statement of both short and long term measures before Parliament adjourned for the summer recess at the end of this month.

They, like Mrs Thatcher, emphasised the need to support the forces of law and order.

Mrs Thatcher said: "I had expected tonight to talk wholly about unemployment, but events in Liverpool have changed that. What happened there horrified me. A thousand policemen embroiled in one of our great cities, 200 injured, riot shields and CS gas needed to defend the very men to whom we all turn for protection. Nothing can justify, nothing can excuse, and no one can condone the appalling violence we have all seen on television, which some of our people have actually experienced, and so many fear."

Rampaging gangs of youths who smashed and looted shops in Manchester and north London on Tuesday night were yesterday described as "copycats" speering the trouble in Tottenham and Southall.

As Lord Scarman confirmed at a sitting of his inquiry into

ON OTHER PAGES

Letters 17
The morning after 14
Ronald Butt 16

The Brixton riots that he would also consider the problems behind the Liverpool and Manchester troubles, senior police officers in London and Manchester said that the riots there men had fought were not racially motivated.

The trouble in the Moss Side area of Manchester included petrol bombs against a number of shops and bargages of stones against police lines, but no officers were injured. Mr James Amberton, Chief Constable of Greater Manchester, said that although black youths scorned the police this was not significant because most of the people in the area were black anyway.

In London the trouble around a shopping area at Wood Green, north London, was described by one senior policeman as premeditated, while Deputy Assistant Commissioner Peter Neilans added that policemen were entitled to the proper equipment. "If water, cannon and rubber bullets were necessary, then that is the path we will have to take."

Mr David Lane, chairman of the Commission of Racial Equality, said that the riots at Tottenham and Southall were the price to be paid for not tackling

with speed the problems of inner cities.

Four hundred Manchester police officers were involved in the Moss Side incident and up to 500 London police were called to the Wood Green area, a fairly prosperous and polyglot north London suburb. The damage in the Manchester district was put at over £250,000 and in north London nearly 60 shops were damaged or looted.

In Liverpool the local branch of the Young Socialist section of the Labour Party put out a leaflet calling for street committees to "defend us from the police attacks and also to prevent those who are exploiting the situation as an opportunity to loot."

At the weekend the Young Socialists were accused of inflaming the situation in Tottenham with an earlier leaflet. In their latest they say that the police must be pulled out of the area, and charges dropped against those arrested.

□ The Prince of Wales has intervened to help the young people of Tottenham involved in the riots (Ronald Kershaw writes). Buckingham Palace last night confirmed that he had asked the Prince's Trust if anything could be done. The trust was established in 1975 to support experimental schemes to help young offenders in enterprises devised by themselves.

He is very concerned about Tottenham and the trust will help in any way it can," it was said at the Palace.

Whitehall axeman's front line dispatch

By George Clark
Political Correspondent

Sir Derek Rayner, joint managing director of Marks and Spencer and the Prime Minister's special adviser on the elimination of Government waste, last night told me as "the Whitehall butcher" and "Maggie's Axeman", told an audience of MPs and journalists yesterday that rumours of his imminent retirement from his secondary job were unfounded.

"I was not permitted to relinquish any of my executive responsibilities in Marks and Spencer and they are wide ranging," he said. "But I am going to reduce the amount of time I spend on the Government task. I have had one holiday in the last 18 months and have had very few weekends and evenings off. I find that, as a human being, I cannot go on that way."

"I do not intend to disappear, but I intend to spend less time achieving the results. I know the field of my inquiries pretty well—and my enemies rather better."

Reporting on his achievements at a luncheon of the Parliamentary Press Gallery, Sir Derek said that expenditure on stamping out waste had been reduced by a quarter or £25m and the staff reduced by 2,250. Obviously the progress was slow because it was not possible to throw out a lot of commitments in a short period—there were many constraints on immediate action which he had to recognise.

His second task had been to examine the bases of Government work, asking the question: "Should it be done at all?" He knew from past experience in Government at the Ministry of Defence that there were a lot of frustrated people, particularly in the middle thirties, who, given the chance, would strive to do a better job of examining this subject. The result in 1979-80 was to identify savings of £190m that could be made. It would take some time "to deliver", but to save that amount on administrative costs only was a major feat.

More reductions were expected from the examination of the forms of support given for research and development. Sir Derek commented wryly that in the course of his inquiries he had become familiar with the phrase used by Mr Joe Barnett, MP, the former Chief Secretary to the Treasury, that "one man's waste is another man's living". He had received more mail from the public and even MPs telling him not to take some action to reduce public expenditure than letters telling him to stop some government activity.

In one office he discovered that the rules to be applied by the civil servants ran to 40 volumes which made it impossible to find a rule. When a person came in with a claim, the officials were supposed to check the claim according to the rules.

"How can you expect any ordinary human being to absorb that?" he asked. "It was not only the rules, there was an enormous turnover of staff, over 48 per cent a year, which meant that the supervisors were continuously employed teaching people the rules."

Coming from business, he was Continued on back page, col 1

Begin says he has majority

From Christopher Walker
Jerusalem, July 8

After a period of hectic political bargaining, Mr Menachem Begin, the Israeli Prime Minister, announced tonight that he had received sufficient support from minor parties to form a new Government with the necessary 61 seats in the Knesset to command a majority.

Mr Begin did not spell out his support in detail, but it is known to come from the National Religious Party, its ethnic offshoot called Tami and the ultra-orthodox Agudat Israel Party.

Since the election, leading members of all those groups have held private conversations with Mr Begin and his associates, and it is understood that final details of a coalition will still have to be worked out in private meetings over the next few days.

In his first television interview since the election, the Prime Minister claimed tonight that his new Government would be stable despite its unbalanced majority. He quoted Churchill as saying that in a democracy, one was enough.

Mr Begin said that although Israeli law allowed Mr Yitzhak Mordechai to give him three weeks to form a new coalition, his preliminary talks had already shown that he could form it much more quickly.

Mr Begin's claim confirmed the view of political analysts that the opposition Labour Party no longer has any hope of forming a government.

Questioned about the role of Mr Moshe Dayan, the former Foreign Minister, Mr Begin said he had already had two hours of talks with him and would be suggesting more when Mr Dayan returned from a foreign visit next week.

Mr Begin hinted strongly that Mr Ariel Sharon, the hard-line Minister of Agriculture, would be switched to the defence portfolio.

We know where we are going, Reagan insists

From Nicholas Ashford, Washington, July 8

The United States does have a coherent foreign policy and "we know where we are going," President Reagan declared last night, defiantly rejecting criticism of his failure to make a significant foreign policy speech.

Addressing a \$1m (£515,000) fund-raising banquet in Chicago, he said it was not necessary to spell out in detail the principles which would guide every move the United States makes in international diplomacy. "Basically good foreign policy is the use of good common sense in dealing with friends and political adversaries," he said.

The President went on to say that his Administration had already achieved a number of important foreign policy accomplishments.

It had laid the foundations for a long-term build-up of American armed forces that will lead to increased American security; begun to strengthen ties with Japanese and European allies; helped to avert a war in the Middle East through the mission of Mr Philip Habib; developed relations with China; increased new vigour into America's relationship with Pakistan; started on a realistic solution to the Namibia problem; and begun to attack the causes of instability in the Caribbean while making it clear the United States would not tolerate Cuban interference in the area.

The President went on to remind his listeners that throughout last year's election campaign he had emphasised that his first step towards a credible foreign policy would be a renewal of America's economic strength and a return to prosperity. He drew an analogy between the economic problems which his Administration inherited with the situation in Poland.

Mr Reagan devoted most of his speech to drumming up popular support for his economic recovery programme, particularly his plan for a 25 per cent tax cut spread over three years which he wants Congress to approve by the beginning of August.

He urged his audience to put pressure on Mr Dan Rostenkowski, a local Democrat Congressman and chairman of the House ways and means committee, to "provide the leadership necessary to report a tax Bill to the House floor in time for Congress to debate it."

Trade policy unfolded, page 6

Blaze halts SR trains

By a Staff Reporter

Rail services through Clapham Junction station in south London were severely disrupted last night after a long covered footbridge caught fire. All lines at the junction were out of action, except for four running into Victoria. British Rail said: "Services have been brought into total and absolute disruption."

Trains from Hampshire, Wiltshire, Dorset and west Surrey were terminating at Barnes, Wimbledon and Richmond. London Transport was helping out by accepting railway tickets to areas served by the Underground or the London Buses.

Firemen have not discovered the cause of the outbreak but it was thought that the hot weather may have been to blame for bringing one of the world's busiest railway junctions almost to a halt. Burnt-out telephone installations added to the confusion.

Last night British Rail was unable to give any estimate of when services would be back to normal but the morning rush hour today was expected to be badly affected.

SMALL FACTORIES BIG BENEFITS

Call David Mowat
Liverpool Development Agency

051-236 5411

11 Dale Street, Liverpool L2 2ET

Home News 2-6	Law Report 28
Overseas News 8-11	Letters 17
Appointments 18	Leisure cartoon 8
Architecture 3	Parliament 12
Arts 14	Premium Bonds 12
Books 15	Safe Room 18
Business 23-26	Science 4
Chess 2	Sport 19-20
Church 18	TV & Radio 31
Court 18	Theatre 32
Crossword 32	25 Years Ago 18
Diary 16	Universities 18
Events 32	Weather 32
Features 13, 16	Wills 18

Strike threat as miners step up call for Belvoir go ahead

From Paul Routledge, Labour Editor, St Helier

The threat of a miners' strike over pit closures resurfaced yesterday as the National Union of Mineworkers stepped up its pressure on the Cabinet to go ahead with the proposed Vale of Belvoir coalfield.

At the union's policy-making conference, left-wing and moderate coalfield leaders alike pledged support for industrial action to sustain and increase Government investment in the coalmining industry to halt the decline in jobs.

Sir Derek Ezra, chairman of the National Coal Board, said after an emotional debate on the future of the industry: "I would deplore any form of industrial action. I hope there is no reason for it."

"I hope the Government will accept that we are moving in the right direction and that investment is justified. What more has an industry to do than show good results?"

Delegates to the conference unanimously backed a resolution condemning the alleged "duplication" of Mr Michael Heseltine, Secretary of State for the Environment, over his reported decision not to permit mining in the Vale of Belvoir, Leicestershire. The union called on the Cabinet to reverse this decision.

They demanded that the full

Cabinet should overrule the Minister's recommendation to allow the £1,000m project for three new pits employing 4,000 men to proceed. Other areas are insisting on investment in their coalfields, including pits which, until the strikes in February, were on the coal board's list of 23 scheduled for accelerated closure.

Mr Emlyn Williams, president of the South Wales area, moving a resolution rejecting all closures except on grounds of proven seam exhaustion, reminded delegates that the stoppage of Welsh planning and triggered off the action that won an extra £300m from the Government.

But he accused the coal board of trying to do by stealth what it had failed to achieve through the abortive accelerated closure scheme, through piecemeal redundancies and non-recruitment.

The industry lost 9,000 jobs during the past year. "Our patience is rapidly becoming exhausted," Mr Williams warned. "Unless we get something positive then we go back and ask the men to extend our stoppage until we get total victory."

Mr Sidney Vincent, Lancashire miners' secretary and a moderate, said the action was not taken to stem the loss of

jobs.

Mr Jack Collins, Kent area secretary, said his own small three-pit area, if threatened, would go on strike and demand that the bigger areas stand by them.

The Duke of Rutland's brand against exploitation of the 550m tonnes of recoverable coal in the Vale of Belvoir was attacked by Mr Ray Chabbert, the Nottinghamshire miners' president, who told delegates: "He said he would be down in front of the bulldozer that removed the first sod. I can assure him the miners of Nottinghamshire and Leicestershire are queuing up to drive that bulldozer."

After his address to the conference, the coal board chairman deployed all talk of industrial action, arguing: "We must not be blown off course. Reducing investment or having a big strike over pay would blow us off course." He also insisted that permission to develop the Belvoir scheme was "essential for the industry's future plan". Without it, 4,000 men working in six short life pits nearby would lose their jobs.

"This is an issue on which there is complete accord between management and the union," Sir Derek told delegates. "This scheme does not go through it gets the whole Plan for Coal out of gear."

Unions deny Labour extra funds

By Our Labour Reporter

Trade union leaders yesterday rejected an appeal from the Labour Party for an increase in affiliation fees which would raise £530,000 to help the party out of its difficulties.

Leaders of most of the unions affiliated to the party met senior Labour officials and bluntly told them that unless the party reduced its administrative costs, the unions would not be prepared to provide extra funds.

The unions believe that the much of the party's £3.1m budget this year is being devoted to headquarters expenditure, with insufficient funds being directed to the regions and for work in marginal constituencies.

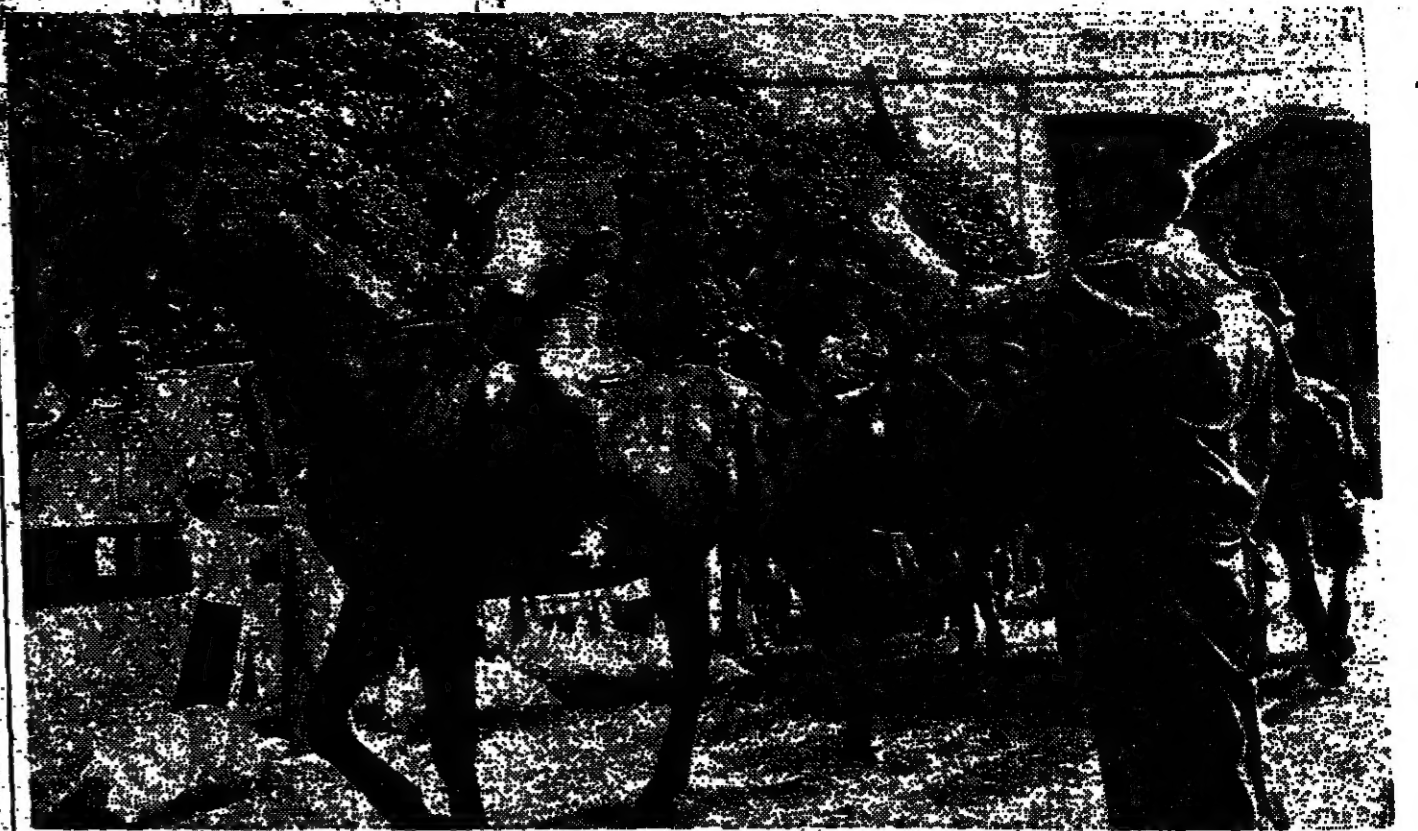
In a condemnation of the party's financial organisation, the unions have decided to set up an independent trade union management company which will husband union funds which are being set aside to help the party during the next general election campaign.

Party leaders have estimated that they will need £3m to fight the next election, but the unions are clearly not prepared to put their money into an election fund controlled by the party. The unions believe money from such a fund would be diverted to meet operating deficits.

In spite of the unions' firm stance on party finances, yesterday's meeting held in a London hotel was agreed that the party should not be allowed to fall into severe financial difficulties.

Mr David Bennett, general secretary of the General and Municipal Workers Union and leader of the Trade Unions for Labour Victory, said after the meeting: "This was the sort of discussion that we need to find out how the unions can help the Labour Party. There is no way the unions will leave the party financially embarrassed."

The financial difficulties were spelt out by Mr Norman Ashworth, the party's treasurer. Officials are confident that the party can stay within this year's budget but are worried about a possible deficit next year. No provision has been made for accumulated debts of about £200,000.



Photograph by Keith Waldegrave

Horses and riders of the Royal Military Police train at Aldershot yesterday for royal wedding day, when they will form the mounted escort for Lady Diana Spencer on her journey from Clarence House to St Paul's Cathedral. Schoolchildren cheer and a soldier fires blank cartridges so that the horses will be prepared for any sudden noises along the route.

Police will turn backs on wedding

By John Witherow

Police will turn their backs on the Royal wedding which will be ordered to turn their backs on the procession as part of the largest security operation mounted by the Metropolitan Police. Some will be armed and stationed on rooftops or among the crowd.

Police will also be told to get to know members of the crowd standing close to them, and the public is urged to "adopt a hushy" attitude. It will be easier to pinpoint people behaving in a suspicious way.

Plainclothes policemen will be mingling with the crowd and Mr Radley added that it would not be uncommon if spectators told uniformed police that these men were behaving unusually.

Every building along the route has been visited by police who have asked for lists of names of all people who will be inside on July 29.

Mr Radley said that from early on the day of the wedding it would be almost impossible for people lining the route to move. He expected crowds 20-deep along The Mall, with people beginning to take up the best positions at least a day before.

Several roads around the Palace, including The Mall, Birdcage Walk and Constitution Hill, will be closed to vehicles from 7 pm on Tuesday, July 28. Most of the roads close to the route will be sealed off at 4 am on Wednesday. Pedestrians will be allowed to take up positions, but by 8.45 am the police expect the crowds to become so dense it will become difficult to move.

The police appealed to people to travel to central London by public transport and not to carry valuables. "It will be a fast day for pickpockets," Commander Douglas Cress, in charge of the operations room at Scotland Yard, said.

The Tories' day at Warrington

From Philip Webster, Political Staff, Warrington

Mr Stanley Sorrell, the Conservative candidate in danger of becoming the forgotten man in the Warrington by-election, at last took the limelight from his Labour and Social Democrat rivals yesterday.

It coincided with the arrival in town of Mr John Nott, Secretary of State for Defence, the first of the Cabinet heavy artillery drafted in amid consternation, fuelled by recent opinion polls, that Mr Sorrell's deposit might be in jeopardy and that the SDP-Liberal alliance could make big inroads nationally into the Conservative vote.

Mr Sorrell won the morning headlines with a controversial demand at his press conference for courts to be empowered to sentence offenders aged 11 or 12 on short, sharp shock spells at reception centres, and for parents to face heavy fines for the misdemeanours of their children involved in rioting.

"Enough is enough. We have got to bring more discipline back to this country," he said.

Then he stood aside at another press conference as Mr Nott lambasted the unemployment programme of Mr Roy Jenkins, the SDP candidate, as grandiose and gimmicky. Only medium-term damage could result from the increased borrowing proposed, because higher interest rates would put even more pressure on industry at a time of low profitability, Mr Nott said.

A better day for the Conservatives continued when Mr Nott and Mr Sorrell went walking in the Golden Square shopping precinct. The SDP candidate, as grandiose and gimmicky. Only medium-term damage could result from the increased borrowing proposed, because higher interest rates would put even more pressure on industry at a time of low profitability, Mr Nott said.

At Labour's headquarters Mr Douglas Royle sounding less and less the Bennite his adversaries attempt to portray, clarified his stance on nationalisation. He is for public investment in high risk technology industries and for a voluntary agreement under which pension funds, underwritten by the Government, would finance industry.

He is against nationalisation of the banks and insurance companies and a proposal to phase-out mortgage tax relief.

Mr Jenkins, meanwhile, denied that his unemployment programme amounted to Bennism without the import controls. It laid great stress on the need for a profitable private sector.

Benefits staff may be suspended

By David Felton, Labour Reporter

Indications that the Government is planning to take new regulatory measures against the Civil Service unions came yesterday when the Department of Employment threatened to suspend benefit payments staff "blacklisting" unemployment giro cheques.

Two civil servants, in Keighley and Glasgow, have been threatened with suspension from today unless they agree to work normally. But the department made clear that it would take similar action, if necessary, in all 1,000 unemployment benefit offices.

The unions have tried to progressively halt the supply of giro cheques after the closure of two benefits computers at Reading and Livingston, where 117 staff are on strike. The main stationary office in Watford, which distributes cheques to the benefit offices, is being picketed.

The department said last night the unions had instructed members to "black" giro cheques transferred between offices to avoid local shortages. Union members are writing the cheques by hand but Post Office workers are refusing to cross the Watford picket line and deliveries to offices have stopped.

In another statement from the Government, Mr Francis Pym the Paymaster General, said he was deeply concerned at the difficulties facing people trying to get public service pensions because of a strike at a computer centre at Crawley.

Mr Pym has refused to meet the unions to discuss processing pensions manually.

A third of the population thinks the strike justified despite the Government's 7 per cent pay offer, and a quarter think the civil servants should continue to go to work, a poll by Opinion Research and Communication suggests.

Demand for ending of union civil law rights

By Donald Macintyre, Labour Reporter

The eventual removal of most civil law immunities enjoyed by trade unions is envisaged in evidence to the Government's review of labour law from the Centre for Policy Studies.

The centre, founded as an independent think tank by Mrs Margaret Thatcher and Sir Keith Joseph, seeks early measures to make unlawful all secondary industrial action and strikes which break procedure agreements.

Those, along with compulsory secret ballots before strikes, and for the election of union governing bodies are seen by the centre's Trade Union Reform Committee as the minimum essential measures which it wants to see enacted by this Parliament.

In some of the toughest evidence so far, the committee, whose chairman is Sir Leonard Neal, former chairman of the Commission for Industrial Relations, "welcomes the fact that the government seems prepared to consider another instalment of trade union reform."

For the longer term, however, the submission goes well beyond present Department of Employment thinking by contemplating the removal of immunities without replacing them with a system of statutory trade union rights.

Instead, the committee suggests that immunities (from civil actions for damages caused by industrial disputes) could be ended and trade unions instead given the corporate and limited liability status enjoyed by companies.

The committee rejects the suggestion in the department's Green Paper on the subject that "simply to repeal the immunities and return to common law would make it virtually impossible for trade unions to exist and operate lawfully at all."

It says that under common law many trade union activities

such as welfare, research, information services and provision of legal assistance and advice to members would continue "quite untroubled".

The unions would still be able to bargain, negotiate, and lobby Parliament. In today's climate of legal opinion, many forms of industrial action would also remain protected by the ordinary law.

The submission adds: "If in addition the unions were also given... status as limited companies, they would secure additional protection." "Immunities... are not a *sine qua non* of effective trade unions."

In the shorter term the committee says that the definition of a trade dispute should be narrowed so that industrial action in breach of agreed procedures falls outside the protection of trade union immunities.

The committee argues that ballots for calling off strikes should not be automatic but that ballots for calling strikes should. They add: "Those who equate the two are in effect regarding strikes as a normal and admirable feature of industrial relations rather than one which should be discouraged. It should therefore be easier to call off a strike than to call it in."

On closed shops, the committee urges the Government to promise that it will implement the decision of the European Court of Human Rights which has been considering the case of three British Rail employees dismissed for refusing to join a union.

In urging that unions engage in a secondary action would lose their immunities, the committee says that the essence of such action is that "innocent firms and workers are hit by a dispute that has nothing what-ever to do with them."

Thornycroft seeks £1m

By Our Political Correspondent

Lord Thornycroft, Conservative Party chairman, went to the City of London yesterday with an urgent appeal for at least £1m to cover spending this year.

He said: "The gap between what the party treasurers estimate they will receive this year and the massive expenditure to which we are committed is, after interest, a million pounds."

"We have cut deeply into our spending; we can no longer afford the admirable services of Saatchi and Saatchi; we have reduced independent research to a bare minimum; we have eliminated the community affairs activity as a separate department; we have made 40 staff redundant; and we can afford no pay increase for anyone working in the Central Office or the area organisations."

Thornycroft told the Chief of London and Westminster Conservative Association that if the party managers cut further it would damage the party's capability of fighting the next general election.

Tories win on university cuts

By Hugh Noyes, Parliamentary Correspondent, Westminster

Our exports and on our economic performance as a nation.

Mr Kinnoch told Mr Carlisle that almost everyone who stopped to think would support the view that the manner, scale, purpose and speed of the Government's cuts in resources and places in both sectors of higher education would cause the maximum amount of damage to individuals, institutions and the national interest. He said 20,000 young people would find no places for them at universities.

The Government's economic policies were ruled by economic theories which in the name of savings wasted talent, destroyed opportunities, sacrificed enlightenment and defeated excellence. That, Mr Kinnoch said, was happening at a time when Britain's last vestige of economic competitiveness were sustaining a higher proportion of the population in higher education.

It was at that crucial time that the Government was deciding to discontinue the Robbins principle that courses of higher education should be available for all those who qualified and who wished to take part.

Mr Kinnoch also suggested that in the allocation of the

cuts, which appeared to him to be more severe for the North than the South.

Mr Carlisle vigorously defended the education cuts. Mr Kinnoch's speech, he said, was an unfair attack on the UGC, full of wild exaggeration, hyperbole and statements that could not possibly be justified. The Government was involved in a reappraisal of university provision in the light of the needs to restrain public expenditure and the possibility of rationalization.

While accepting that up to the mid-1980s there would be an increase in the numbers of young people of university age, Mr Carlisle pointed out that between 1985 and 1995 there would be a drop of 30 per cent in that age group.

By 1984-85 there would be as many university places for home students as there were in the last full academic year of the Labour government. As for overseas students there were now 7 per cent more in universities than were provided for by the last government.

University cuts plea, page 4 Parliamentary report, page 12

University cuts plea, page 4 Parliamentary report, page 12

Observer talks founder over editorial freedom

By Our Labour Reporter

Difficulties surrounding the prospective takeover of The Observer by the Lorrho group deepened yesterday when negotiations with the newspaper's journalists foundered over the crucial issue of future editorial independence.

The National Union of Journalists' chapel (office branch) which said that it would refuse to have any dealings with the independent directors suggested in the Monopolies and Mergers Commission report which recommended that the takeover should go ahead.

The resolution continued: "We regard the editorial safeguards proposed by the commission as wholly inadequate and warn the Secretary of State for Trade that if no improvements are forthcoming, there is a real danger of editorial standards falling and the public interest being at risk."

Members of the 90-strong chapel, which has been supporting Mr Donald Treford, the editor, in his fight for stronger guarantees on editorial independence, also reiterated its demand to be able to nominate one representative to sit on the newspaper's board.

Negotiations between the chapel and Lorrho executives broke down after the company refused the demand for a seat on the board.

The journalists believe that the independent directors suggested by the commission would not have the full trust of all the parties. After the breakdown in negotiations, officials at the Department of Trade called in Lorrho, the NUJ, The Observer's management and representatives of Atlantic Richfield, the present owners, for talks.

Those discussions yesterday morning apparently made little progress, but a further meeting at the department, which Mr Treford was attending, was taking place last night.

It is understood that all the parties were coming under pressure from the department to reach an agreement because Mr John Biffen, the Secretary of State for Trade, is due to make a statement on the takeover to the Commons today and he was hoping to be able to announce that there had been an agreement.

The journalists are insisting that they should be consulted on the appointment of the independent directors.

The management has threatened not to produce The Observer this weekend unless it received guarantees of uninterrupted production from the National Society of Operative Printers, Graphical and Media Personnel (Nagopa).

Leading article, page 17

YOUNGEST SIDE IN CHESS FINAL

By Harry Golombek, Chess Correspondent

The semi-finals of The Sunday Times national schools chess tournament were played yesterday at the St Ermy's Hotel, central London. The four qualifying teams included King Edward VI School, Southampton, which holds the title, and Watford Boys' Grammar School, last year's runner-up.

The holders were paired with St Paul's and it was soon apparent a big upset was to take place, since the first results were in favour of St Paul's, the youngest side in the contest.

Two players aged 12, Nicholas von Schlippe and Michael Arundale, won in quick combative style, and though Steven Bell beat Jonathan Hodgson on top board the holders never recovered and lost the match by 2-4.

Watford Grammar, with another young side, proved too good for Manchester Grammar and won by 3-1. So the final, today is between St Paul's and Watford Grammar. A close struggle is anticipated.

Detailed results: 1. King Edward VI v St Paul's with King Edward's winning 3-1. 2. St Paul's v Watford Grammar 3-1. 3. Watford Grammar v Manchester Grammar 3-1. 4. Manchester Grammar v Watford Grammar 3-1. 5. Watford Grammar v Manchester Grammar 3-1. 6. Manchester Grammar v Watford Grammar 3-1. 7. Watford Grammar v Manchester Grammar 3-1. 8. Manchester Grammar v Watford Grammar 3-1. 9. Watford Grammar v Manchester Grammar 3-1. 10. Manchester Grammar v Watford Grammar 3-1. 11. Watford Grammar v Manchester Grammar 3-1. 12. Manchester Grammar v Watford Grammar 3-1. 13. Watford Grammar v Manchester Grammar 3-1. 14. Manchester Grammar v Watford Grammar 3-1. 15. Watford Grammar v Manchester Grammar 3-1. 16. Manchester Grammar v Watford Grammar 3-1. 17. Watford Grammar v Manchester Grammar 3-1. 18. Manchester Grammar v Watford Grammar 3-1. 19. Watford Grammar v Manchester Grammar 3-1. 20. Manchester Grammar v Watford Grammar 3-1. 21. Watford Grammar v Manchester Grammar 3-1. 22. Manchester Grammar v Watford Grammar 3-1. 23. Watford Grammar v Manchester Grammar 3-1. 24. Manchester Grammar v Watford Grammar 3-1. 25. Watford Grammar v Manchester Grammar 3-1. 26. Manchester Grammar v Watford Grammar 3-1. 27. Watford Grammar v Manchester Grammar 3-1. 28. Manchester Grammar v Watford Grammar 3-1. 29. Watford Grammar v Manchester Grammar 3-1. 30. Manchester Grammar v Watford Grammar 3-1. 31. Watford Grammar v Manchester Grammar 3-1. 32. Manchester Grammar v Watford Grammar 3-1. 33. Watford Grammar v Manchester Grammar 3-1. 34. Manchester Grammar v Watford Grammar 3-1. 35. Watford Grammar v Manchester Grammar 3-1. 36. Manchester Grammar v Watford Grammar 3-1. 37. Watford Grammar v Manchester Grammar 3-1. 38. Manchester Grammar v Watford Grammar 3-1. 39. Watford Grammar v Manchester Grammar 3-1. 40. Manchester Grammar v Watford Grammar 3-1. 41. Watford Grammar v Manchester Grammar 3-1. 42. Manchester Grammar v Watford Grammar 3-1. 43. Watford Grammar v Manchester Grammar 3-1. 44. Manchester Grammar v Watford Grammar 3-1. 45. Watford Grammar v Manchester Grammar 3-1. 46. Manchester Grammar v Watford Grammar 3-1. 47. Watford Grammar v Manchester Grammar 3-1. 48. Manchester Grammar v Watford Grammar 3-1. 49. Watford Grammar v Manchester Grammar 3-1. 50. Manchester Grammar v Watford Grammar 3-1. 51. Watford Grammar v Manchester Grammar 3-1. 52. Manchester Grammar v Watford Grammar 3-1. 53. Watford Grammar v Manchester Grammar 3-1. 54. Manchester Grammar v Watford Grammar 3-1. 55. Watford Grammar v Manchester Grammar 3-1. 56. Manchester Grammar v Watford Grammar 3-1. 57. Watford Grammar v Manchester Grammar 3-1. 58. Manchester Grammar v Watford Grammar 3-1. 59. Watford Grammar v Manchester Grammar 3-1. 60. Manchester Grammar v Watford Grammar 3-1. 61. Watford Grammar v Manchester Grammar 3-1. 62. Manchester Grammar v Watford Grammar 3-1. 63. Watford Grammar v Manchester Grammar 3-1. 64. Manchester Grammar v Watford Grammar 3-1. 65. Watford Grammar v Manchester Grammar 3-1. 66. Manchester Grammar v Watford Grammar 3-1. 67. Watford Grammar v Manchester Grammar 3-1. 68. Manchester Grammar v Watford Grammar 3-1. 69. Watford Grammar v Manchester Grammar 3-1. 70. Manchester Grammar v Watford Grammar 3-1. 71. Watford Grammar v Manchester Grammar 3-1. 72. Manchester Grammar v Watford Grammar 3-1. 73. Watford Grammar v Manchester Grammar 3-1. 74. Manchester Grammar v Watford Grammar 3-1. 75. Watford Grammar v Manchester Grammar 3-1. 76. Manchester Grammar v Watford Grammar 3-1. 77. Watford Grammar v Manchester Grammar 3-1. 78. Manchester Grammar v Watford Grammar 3-1. 79. Watford Grammar v Manchester Grammar 3-1. 80. Manchester Grammar v Watford Grammar 3-1. 81. Watford Grammar v Manchester Grammar 3-1. 82. Manchester Grammar v Watford Grammar 3-1. 83. Watford Grammar v Manchester Grammar 3-1. 84. Manchester Grammar v Watford Grammar 3-1. 85. Watford Grammar v Manchester Grammar 3-1. 86. Manchester Grammar v Watford Grammar 3-1. 87. Watford Grammar v Manchester Grammar 3-1. 88. Manchester Grammar v Watford Grammar 3-1. 89. Watford Grammar v Manchester Grammar 3-1. 90. Manchester Grammar v Watford Grammar 3-1. 91. Watford Grammar v Manchester Grammar 3-1. 92. Manchester Grammar v Watford Grammar 3-1. 93. Watford Grammar v Manchester Grammar 3-1. 94. Manchester Grammar v Watford Grammar 3-1. 95. Watford Grammar v Manchester Grammar 3-1. 96. Manchester Grammar v Watford Grammar 3-1. 97. Watford Grammar v Manchester Grammar 3-1. 98. Manchester Grammar v Watford Grammar 3-1. 99. Watford Grammar v Manchester Grammar 3-1. 100. Manchester Grammar v Watford Grammar 3-1.

FERRY SERVICE IS REPLACED

The night Sealink service from Weymouth to the Channel Islands will operate as normal tomorrow and on Saturday. Sealink withdrew yesterday's cancellation of the service.

The company said the ferry Earl William, which is being repaired after touching bottom at Jersey, will be replaced while it is out of action.

DAILY STAR READER PROFILE



"I like to read the Daily Star for its sports coverage not just the golf report - but because it tells me about all sport."

NICK FALDO
Leading British Golfer



In a year, Daily Star sales for June '81 have soared 40% to a record breaking 1,585,000* copies a day - up 134,000* copies over last month.

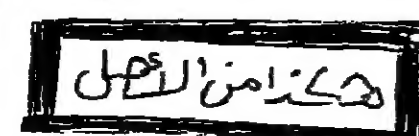
BRITAIN'S FASTEST GROWING NATIONAL NEWSPAPER

*Subject to audit

Options at Austin Reed Women's Sale now on

Not only - London's finest clothes for today's woman. But also - remarkable price reductions.

Options at AUSTIN REED
Floor 3, 103/113 Regent Street, London, W1



Nott says cost of Chevaline 'has gone bananas'

From Philip Webster, Warrington

Mr John Nott, Secretary of State for Defence, admitted yesterday that his ministry had experienced difficulties with the Royal Navy's controversial £1,000m Chevaline improvement to its strategic nuclear deterrent and that the cost of the programme had "gone bananas".

Mr Nott, speaking at a press conference in Warrington where he was campaigning on behalf of Mr Stanley Sorrell, Conservative candidate in the by-election, was continuing reports published in *The Times* in the past eight days. He said the Ministry of Defence thought it knew what had gone wrong with the new front end for the Polaris missile. He hoped that the first of the Chevaline-improved warheads would be in service by mid-1983.

Dockyard tug-of-war

By Henry Stanhope, Defence Correspondent

The Royal Navy and civilian management played tug-of-war over control of the royal dockyards, Sir John Mallabar, the industrialist, told MPs yesterday. Sir John chaired the committee which recommended 11 years ago that a trading fund should be established for the four dockyards, enabling the Government to measure their efficiency in terms of profit and loss.

Design doubt in crash plane

By Arthur Reed, Air Correspondent

A Department of Trade report to be published today is expected to conclude that the pilots of an aircraft which crashed with the loss of 17 lives attempted to take off with its wing elevators locked. The Dan-Air 748 airliner, which was carrying oil construction workers, crashed at Sumburgh Airport, Shetland, in July 1979.

INVENTION AIDS BLIND DIABETICS

An invention which allows blind diabetics for the first time to measure the glucose levels in their urine has come on to the market. Sufferers from diabetes, one of the commonest causes of adult blindness, have regularly to measure their urine/sugar levels. The Hypo-test, a British invention developed by Hypoguard Ltd. of Woodbridge, Suffolk, reads the glucose level in a urine sample and gives the results by sound; a buzzer code indicates values from 0 to 2 per cent.

Research group rebuked

By Pearce Wright, Science Editor

The Science and Engineering Research Council has been rebuked by the Commons Public Accounts Committee for contravening the Government accounting rules on expenditure. The criticism is contained in a report published yesterday covering control of spending for the financial year ending in March 1980.

Widow wins battle over £478 rates debt

From Our Correspondent Cambridge

Mrs Agnes Parker has staunchly refused to pay any rates on her property in Woodside, Longstanton, near Cambridge, because she feels she has paid enough throughout her life and because she will not accept any "charity" in the way of benefits from the Government.

Yesterday Mrs Parker, who brought up eight children in a tiny thatched cottage, was pushed before Cambridge magistrates in a wheelchair to be questioned about her means and why she had now paid the South Cambridgeshire District Council £478 rates on the old cottage and the bungalow in which she now lives, which was built to replace the cottage.

Mrs Parker, who is totally deaf, was told by the magistrates that because of her refusal to pay the rates she would spend one day in custody but because of her age and physical state she had decided she could be freed immediately. Then the magistrates told her she would not have to pay her outstanding arrears.

Mr Robert Turrell-Clarke, for the district council, said later: "We must consider an appeal against this decision since it would appear to destroy the whole system of collecting rates."

Earlier, Mrs Parker told the court: "I object to seeing old people legally robbed and having sufficient money to sustain the means of life. I have not claimed any benefits from the state because I have seen the results of that sort of thing in riots in Britain and other places which have been caused by this sort of getting something for nothing. My children do not riot, they do not take drugs and they do not take anything from the state."

Mrs Parker's daughter, Mrs Mary Norris, flew from Sweden for the case and said in the court: "My mother brought up eight children in very poor conditions and the cottage she lived in previously was almost falling down, with rain coming through the thatch. It is the bungalow, built because she has been thrifty she has been penalized."

BAN ON BIG LORRIES DEFERRED

By Michael Bailey Transport Correspondent

The proposal to ban heavy lorries in the centre of London has been deferred, pending further consultation.

Mr David Wenzel, chairman of the Greater London Council Transport Committee, said yesterday that while the ban would have produced pleasant conditions in the boroughs of Barnet and Enfield it would have meant difficulties in neighbouring areas.

The GLC was examining the possibilities of a London-wide ban on heavy lorries. Meanwhile, shifting a problem from one part of London to another was not an answer.



Tricycle made for three: Mrs Olwyn Beattie, of Fleet, Hampshire, no longer worries about the price of petrol. Her conversion to pedal power came as garage bills piled up to run an elderly banger as the family's second car.

Curbs sought to beat fish disease

By Our Agriculture Correspondent

Strict controls to safeguard fish farms and rivers against the import of bacterial diseases have been proposed by the Government yesterday. A Green Paper also said new powers were needed against salmon poaching.

Mr. Alick Buchanan-Smith, Minister of State for Agriculture, Fisheries and Food, said: "Some of this stuff, specially on diseases, has not been touched for nearly 50 years."

"This big piece of consuetudine work is going to be looked at as a bit of a bench mark."

The Government said in the paper that changing patterns of international trade had increased the danger of British stocks being infested by serious exotic diseases hitherto unknown in this country.

It wanted compulsory slaughter without compensation for two tropical fish diseases never yet found in Britain: viral haemorrhagic septicaemia and infectious haematopoietic necrosis.

The government also wanted wide powers to ban the import of live sea fish and dead trout that were thought to be diseased.

Proposed controls extend to crab and lobster tanks in restaurants and shops.

Mr Buchanan-Smith said: "We are giving people until the end of October to comment."

"On salmon, I suppose the most controversial thing we suggest is retaining drift netting off the Northumberland coast."

The Green Paper said there could be no free-for-all in salmon fishing. "Salmon have always been vulnerable to small-scale poaching, but today the threat posed by illegal netting is of a totally different magnitude and must be curbed."

Review of Inland and Coastal Fisheries (Ministry of Agriculture, Whitehall Place, London SW1).

£150m for farmers is delayed by dispute

From Hugh Clayton Stoneleigh

Almost £150m in state payments to farmers have been delayed by the Civil Service dispute, Mr Alan Jackson, deputy president of the National Farmers' Union said yesterday.

"The figure is continuing at £12m to £15m a week," he said at the Royal Show at Stoneleigh, Warwickshire.

"Value-added tax is by far the largest portion of this £150m. We are probably the industry that has been most severely hit because we are zero-rated. We pay the VAT and claim it back."

He said that the speech given at the show on Monday by Mrs Margaret Thatcher, the Prime Minister, had been inadequate because it took no account of farmers' financial difficulties.

"Fine words are not enough. We in the NFU believe that they should be backed by government action and cash."

He said that the union wanted the retail price of milk to rise in the autumn, further aid to protect the owners of glass houses from cut price competition from abroad and aid for poultry farmers.

The delay in state payments had forced farmers to increase their already high indebtedness to banks, Mr Jackson went on.

"As we approach a new cereal year many of our members are a little more than anxious and do not want to see any disruption of cereal markets."

Payments under the common agricultural policy to British farmers who contribute to EEC food stocks have been blocked by the strike. When harvesting begins next month the farmers are expected to make further contributions to the EEC grain "mountain".

The National Union of Agricultural and Allied Workers said at the show yesterday that it would use the Prime Minister's praise on Monday for farming productivity as a base from which to demand the average industrial wage in its next pay claim.

Inaction on ministry staff fraud criticized

Civil servants reported to the Director of Public Prosecutions but not charged, over £226,000 fraud, should have been disciplined, the Commons Public Accounts Committee said yesterday.

Police were in 1976 to investigate allegations of fraud at the East Anglian works office of the Directorate of Ancient Monuments and Historic Buildings.

They discovered frauds dating back to 1972, involving collusion between staff at the office and contractors.

According to the committee's report, civil servants made bogus orders for works and supplies, favoured particular contractors in return for considerations, and used Department of Environment Labour and material on work for which a contractor was paid, and for work on private property.

The Department of the Environment told the committee that powers delegated to the area superintendent had been abused, and that "much of the identified fraud consisted of payments for the removal of rubble from ancient monuments".

At trials in November, 1979, and March, 1980, three civil servants and five contractors were convicted and sentenced. The area superintendent had a terminal illness and was charged but not brought to trial.

The committee says: "We were concerned that as many as 33 other people were the subject of reports to the DPP but were not charged. The Department of the Environment did not know their identities and saw no justifiable basis for taking disciplinary action against civil servants who had not been prosecuted."

"We do not accept that the Department of the Environment were justified in taking no disciplinary action against civil servants who had not been charged with any criminal offence. It seems to us that those responsible for the situation which facilitated the fraud should have received at least some formal reprimand."

Concern by lawyers on confessions

By Our Legal Correspondent

Two influential lawyers' bodies, the Law Society and Justice, have criticized some of the proposals made by the Royal Commission on Criminal Procedure for widening enough safeguards for a suspect in police hands.

The society, in a report published today, is particularly concerned at the commission's proposals on the admissibility at the trial of confessions obtained by improper means.

The commission, according to the Law Society, would rely largely on internal police disciplinary measures to keep the police from exceeding their powers of interrogation. The society "fundamentally disagrees, and considers that in the absence of any adequate alternative, the existing system of judicial control of interrogation should be retained and strengthened."

The same point is taken even more strongly by Justice, the British section of the International Commission of Jurists, in its annual report. "We quarrel seriously with the failure of the commission to recommend adequate safeguards against fabricated admissions or false confessions obtained by improper means."

"No incriminating statement should be admissible in evidence unless it is authenticated either by a magistrate, or by a solicitor or by a tape recorder."

The commission's proposals will provide for the protection against improper pressure or falsification except statutory rules to be policed by the police themselves.

How can a basic rate taxpayer get 34% more net interest on 7 day money?

	INTEREST OR GROSS EQUIVALENT	NET OF BASIC RATE TAX
Clearing Bank Deposit Account	9.00%	6.30%
Abbey National Share Account	12.14%*	8.50%

*Not applicable to Northern Ireland

*Equivalent gross rate where income tax is paid at a basic rate of 30%.

In these days, it's important to get the best rate of interest. Even on money you want to keep available. Currently, Abbey National Share Accounts - which will normally pay up to £250 cash (£2500 cheque) on demand - outperform normal

Clearing Bank 7-day deposit accounts by a staggering margin, as the table above shows. Can you afford to settle for less than the Abbey National combination of high rate and high accessibility?

The value-for-money for your money

ABBEY NATIONAL SHARE ACCOUNT

ABBEY NATIONAL BUILDING SOCIETY, 27 ABBER STREET, LONDON W1M 2AA

DAILY STAR READER PROFILE



"Whatever one's political allegiances I believe it is important to keep in touch with the whole spectrum of political activity and media interpretation. In its industrial coverage the Daily Star brings a balance which, like it or not, one should not ignore."

ANTHONY FRODSHAM

Director-General Engineers' Federation

DAILY STAR

In a year, Daily Star sales for June '81 have soared 49% to a record breaking 1,585,000* copies a day - up 134,000* copies over last month.

BRITAIN'S FASTEST GROWING NATIONAL NEWSPAPER

*Subject to audit

Architecture

Theatre in the hills

By Charles McKean

The Pitlochry Festival Theatre, which the Prince of Wales formally opens tonight, is probably Scotland's loveliest. Set on the south bank of the Tummel, it commands fine views over the river to the northern hills. It is a festival theatre, and the preferred approach - over the old, green suspension bridge from the town centre, just downstream from the salmon ladder - lends just the right spirit of fun and adventure.

The theatre's origins hark back to a tent first erected for a theatre festival in 1949 and, after a fire, subsequently encased in asbestos and metal. Part of the instruction to the architects, Lew and Dunbar Nesmith, was that they should pay homage in some way to their ancestor tent.

The entire history of housing a cultural outpost in this glacial hollow in the year-Highlands is one of commitment, imagination and improvisation, not least in the matter of fund-raising. The theatre now built is the third to have been proposed over 15 years.

The theatre is set into a steep riverside slope with the stage at the upper end and the clear, intimate auditorium thus facing into the hill. That ingenious reversal of what one might have expected - that is, to have the rake of the auditorium going downhill with the

hill - allowed the architects to create a splendid double height and fully glazed foyer looking over the river.

The area contains a shop, bar, restaurant and picture gallery, and it is in that colourful and exciting space that the tent conceals its secret: a fully equipped theatre with two seating tiers apparently propping up a billowing aluminium roof. (In fact, they are two steel posts propping up the ventilation plant.)

The glory of the foyer is the brightness and view through its glass windows; and the twin, seemingly floating staircases which rise to the upper level picture gallery.

From the exterior, the building has the appearance of a glazed, pitched roof pavilion perched over a blue brick plinth, overhanging a green sward. One cannot help wondering why the opportunity was not taken to cantilever out over the river instead.

There is also a somewhat unnecessary reminder of mortality in that the main entrance is shared by a ramp leading to the bowls of the operation. But these, focused entrances to buildings have been unfashionable for decades.

The theatre is a triumph. Some penalties of success, such as strains on parking and the restaurant, are already being experienced. Torment and Britain are far away.

Formula for Success



119 mph + 39.6 mpg at 56 mph = Rover 2600S

It should succeed in today's economic conditions. A car needs a combination of exceptional qualities, all in good measure.

It should be fuel efficient.

The Rover 2600S delivers nearly 40 mpg at cruising speed and over 30 mpg at the legal limit.

But it shouldn't sacrifice performance.

The Rover 2600S accelerates to 60 mph in just 10.7 seconds and will accelerate on a long, straight road to a top speed of 119 mph.

It should incorporate the benefits of advanced technology.

High technology was designed into the Rover range from its very conception. The Air Temperature Control Unit, for example, ensures that the engine runs at maximum fuel-saving efficiency at all speeds and temperatures.

It requires totally efficient aerodynamics. The distinctive style of the 2600S contributes to its economy, exceptional road stability and adhesion, making it a delight to drive.

It should be highly specified and versatile. The Rover 2600S converts from a saloon to estate car in seconds and is superbly equipped with electric windows, a steel sliding sunroof, improved sound insulation, a 3-speed gearbox and central door locking, all as standard.

That attention to detail and value is evident right across the range of five Rovers: the 2300S comes with central door locking and power steering; the Rover Varden Plus is equipped with electronic cruise control. And every Rover is finished with an advanced paint process that ensures high and lasting quality.

Above all, a successful car should have character.

Rover remains perhaps the most distinctive and individual car on the road.

All in all, it takes an exceptional car to succeed today.

Rover is that exception.



Rover

Success breeds success.

City of London. Rover 2600S, 1600 cc, 119 mph, 39.6 mpg at 56 mph, 30 mpg at 70 mph. All figures are for the car in the UK. VAT is included in the price. Delivery is subject to availability. Prices are subject to change without notice. The above figures are for the car in the UK. VAT is included in the price. Delivery is subject to availability. Prices are subject to change without notice.

Plea for greater use of the local ombudsman

By Christopher Warrup, Local Government Correspondent

More use should be made of the local ombudsman to investigate sensitive matters concerning local authorities, Lady Serota, chairman of the Commission for Local Administration in England, argues in the commission's annual report, published yesterday.

Commenting on three cases involving the death of a child, a young woman and an elderly man where the complainant felt that a council failure contributed to the death, Lady Serota says that investigation of such complaints is obviously sensitive and difficult.

When there was an allegation that a death had been caused by the action or inaction of a public body there was often an outcry for a full inquiry, even when a coroner's inquest had been held.

Suggesting that the flexible investigative procedures of the local ombudsman have certain advantages, Lady Serota says: "Internal investigations and inquiries held in private by the authority itself may not command the confidence of the public and a formal public inquiry, besides costing many thousands of pounds, can have a serious and adverse effect on the morale of the service concerned, may breach the principles of confidentiality and can be very frightening for ordinary people involved."

She recognises that there are reservations about the local ombudsman's procedures and

that "English lawyers trained in adversarial as opposed to inquisitorial methods tend to feel that the lack of cross-examination may fail to establish the truth."

The local ombudsman, however, could decide on the best procedures, and she did not rule out a more formal hearing in private.

The report shows an increase of 12 per cent in the number of complaints against local and water authorities (from 2,181 in 1979-80 to 2,434 in 1980-81), although the commission points out that the number is small in relation to the number of council decisions.

Most complaints concerned planning (36 per cent) and housing (30 per cent), and during the year 315 investigations were carried out by the three ombudsmen. Maladministration was found in 58 per cent, although it was found in only 9 per cent of the total number of complaints considered.

Errors ranged from simple failure to do things, or delays in doing them, to the mishandling of sensitive social services cases.

Lady Serota criticizes some councils that reject the local ombudsman's findings. "Cases of this kind reflect badly on the authorities concerned and on local government as a whole, sadly at a time when it is under severe strain."

Your Local Ombudsman (Commission for Local Administration in England, 21 Queen Anne's Gate, London SW1H 9BU).

Goods and services complaints are down

By Robin Young, Consumer Affairs Correspondent

Fewer consumer complaints about faulty goods and deficient services were recorded last year, but because of government and local authority spending cuts it is impossible to tell whether that was because standards had improved, the annual report of the director general of Fair Trading, says.

It shows that in the year ended September 30 1980, the Office of Fair Trading recorded 531,470 complaints reported by local authority departments and advice agencies.

In the previous year 635,480 complaints were logged, but Mr Gordon Barrie, the director reported complaints dropped last year in areas where advice services were curtailed.

There were also fewer convictions under consumer laws last year, but that could be because the activities of local authority trading standard departments were restricted by spending economies.

The greatest number of complaints concerned:

Goods: Motor vehicles, 65,009; household appliances, 61,158; furniture and floor coverings, 55,794; clothing, textiles, 54,633; food and drink, 39,672. Services: Home repairs/improvements, 15,315; public utilities and transport, 13,006; motor vehicles (repair and servicing), 12,752; entertainment/accommodation, 12,715; professional services, 10,650.

Annual Report of the Director General of Fair Trading 1980 (Stationery Office, £5.70).

Praise for NHS Cured US doctor chooses Britain

By Annabel Ferriman, Health Services Correspondent

A rare bouquet for Britain's beleaguered National Health Service has come from an American doctor who intends to settle in Britain because of the superior health treatment he has received here compared with the United States.

Dr Robert Farr, aged 61, suffered a serious stroke in 1977 and found no relief from his subsequent severely raised blood pressure until he came to Britain in February this year.

The drugs he needed to reduce his blood pressure so that he could undergo vital surgery to cure his underlying complaint were not available in the United States as they had not been approved by the Food and Drug Administration.

His doctors in the United States, after three years' delay, visits to eight hospitals and 67,000 drug doses, diagnosed his condition as pheochromocytoma, a rare complaint in which a tumour develops on the

adrenal gland. The tumour had to be removed but no surgeon was willing to perform the operation because of Dr Farr's high blood pressure.

Consequently Dr Farr was invited to the John Radcliffe Hospital, Oxford, where he was treated with two drugs approved for use in Britain: atenolol and nifedipine.

He was then able to undergo surgery at University College Hospital, London. After a tumour was removed from his adrenal gland in May, his blood pressure returned to normal and he has not required further medication.

Dr Farr is delighted with his treatment, for which he was charged £7,000 compared with the £87,000 it cost in the United States.

He intends to give up his home in Old Greenwich, Connecticut, settle in Britain and hopes to take out dual nationality. He stopped practising medicine when he became

ill and makes his living by writing and lecturing. He has recorded his experiences in a book *The Disposable Man*, to be published by Rinehart in the United States next spring.

Dr Farr, whose wife committed suicide in 1979 after doctors told her that her husband's prognosis was extremely poor, said that too many doctors in the United States served two masters: the patient and their own financial gain.

Most important for his case was the availability of drugs in Britain, which cannot be obtained in the United States. About 600 such drugs are available in West Europe and about 10,000 Americans travel each year to obtain them, he said.

Dr Farr completes his treatment on Monday when he undergoes an eye operation at Oxford Eye Hospital to correct the multiple cataracts which developed in an eye as a result of the drugs he was given in the United States.

Delay in library action over debts

By Our Arts Reporter

A three-year delay between the detection of shortcomings in the British Library's accounts and the taking of effective remedial action is deprecated today by the Public Accounts Committee.

The library's internal auditor examined the library's photographic services in 1977, the committee's tenth report says. He found failures in the regular pursuit and collection of sums outstanding for work ordered and sent by post.

Mainly because of impending computerization, no corrective action was taken until a further review last year disclosed that satisfactory evidence of payment could not be found for £119,000 of manually prepared invoices. A further £48,000 of computer-generated invoices had been outstanding for more than six months.

The committee notes revised arrangements introduced to ensure that internal audit

reports are considered "speedily and at an appropriate level".

In another report, examining the inventory control, stock-taking and security of the collections at the British Museum, the Science Museum and the Victoria and Albert Museum, the committee comments that although the existence of a complete inventory does not of itself safeguard a collection, it was a prerequisite for doing so.

BBC plans to put all services on VHF

By Kenneth Gosling

Continental interference on the medium and long waves will increase radically over the next 10 years, Mr Aubrey Singer, managing director of BBC Radio, said yesterday. He was announcing plans to have all BBC services fully audible on VHF by the end of the decade.

But he pointed out that it would be necessary to move the emergency services so as to extend the VHF band, a recommendation contained in two reports on broadcasting.

"Like many of these things," Mr Singer added, "this has been brushed under the carpet". In a warning to the Home Office, he said, "if we do not have a declared policy by the next wavelength conference we will lose the battle and radio will be in a mess for the twenty-first century."

Mr Singer made clear that the VHF programme, with expenditure on the transmitter programme up to 1987 totalling £30m, takes priority over the other options set out by the radio network working party.

A statement by the BBC's board of governors issued simultaneously in London set out two other main lines of development.

They were among proposals contained in the working party's report; notably option four, which included a national public affairs network and a local home service. The board is against restructuring of network radio for the 1990s.

What the board backs, apart from the re-engineering of VHF transmitters to improve portable and car radio reception and to fill gaps in coverage, is the setting up of three new

English local radio stations a year, giving 33, against the present 22, by the mid-80s.

Secondly, although the BBC rejects the spending of large sums to reducing the relaying of network output by local and national regional radio, it says there should be limited experiments in providing distinctive "sustaining" programmes for the local services.

Mr Singer said they were awaiting the Home Secretary's approval for those small local "outposts" such as existed on Stornoway where they had an hour's broadcasting a day in Gaelic.

If the BBC succeeds in persuading the Home Office to move what it regards as the police, fire and ambulance transmitters off the VHF band, the age of push-button radio and an end to knob-twiddling comes closer.

The broadcasting band would extend to 108 megahertz and carry seven services: Radios 1, 2, 3 and 4; BBC local radio and the national regions; independent local radio; and network 5.

The latter is an extra national network for yet allocated but which Mr Singer said could be used to broadcast the educational service or for a separate national programme which could be a commercial channel.

But it was crucial to the BBC's plans, he said, to have the VHF capacity. "It would be futile and wrong to go for any of these options until we know we can achieve them practically."

The next international wavelength conference is in two parts; next year and in 1984.

Youth aid groups attack public service scheme

By Ian Bradley

The idea of a national community service scheme for young people was attacked yesterday as intolerable nonsense by the organizer of a group concerned with youth unemployment.

Miss Clare Short, of Youthaid, said that arguments recently put forward for such a scheme were "dangerous, damaging and insidious. They are simply designed to remove young people from the streets and offer nothing positive."

In particular, she criticized proposals by Youth Call, an organization chaired by the Rev Nicolas Stacey, director of social services in Kent, which is seeking to promote a debate on the desirability and feasibility of introducing such a scheme.

Miss Short was speaking at a conference in London called by Youth Choice, an alliance of 10 voluntary bodies concerned with young people, led by the National Council for Voluntary Organizations, which has been formed to oppose compulsory community service.

Those involved in the alliance feel that the growing call for such a scheme, which was first made in an article in *The Times* on April 8 by Sir Hugh Fraser, Conservative MP for Stafford and Stone, diverts attention from the need for an expansion of educational and training opportunities for young people.

Another speaker at the conference, Mr David Carter of the Transport and General Workers' Union, described those calling for a national com-

munity service scheme as "a bunch of cranks and aging militarists".

The idea is likely to meet with a similar stormy reception in the House of Commons tomorrow when Mr Michael Meacher, Labour MP for Oldham, West, and a member of the Youth Call working party, will propose in an adjournment debate that the Government examines the practicalities of implementing a voluntary national scheme of community service.

Because it is an adjournment debate, only Mr Meacher and the minister from the Department of Employment who will answer him will officially be allowed to speak. However, it is expected that a group of left-wing Labour MPs may try to intervene. They have tabled a hostile amendment to an early day motion tabled by Mr Meacher and signed by 61 Labour MPs, in support of a voluntary community service scheme.

The left-wingers' amendment "rejects completely that the answer to youth unemployment is a system of underpaid community service forced upon young people because there is no alternative."

In another move to increase parliamentary support for a national community service scheme, Mr John Watson, Conservative MP for Skipton, is today meeting other Conservative MPs who are on the councils of youth organizations which have joined the Youth Choice alliance.

Lending right head chosen

By Our Arts Reporter

Mr John Sumson, a former shoe company director, has been appointed to set up and administer the £2m a year public lending right scheme.

Mr Sumson, aged 52, is to be the lending right registrar for five years from next September.

Payments under the scheme are due to begin during the financial year 1982/83 and will be based on borrowings from public libraries. Mr Sumson

will have an office at Stockton-on-Tees, Cleveland.

He will set up a register of authors and their works, develop a computer programme for it, then start a "call up" of authors whose books are registered in libraries.

Once they apply for payments, he will be able to start the calculations that will enable them to begin. The money will come from central funds and will be distributed from the libraries' rate support grant.

DAILY STAR READER PROFILE



"I always buy the Daily Star - and not just because I write a column in it. The Star is fun, easy to read and if you don't have a lot of time it is great to carry around with you all day to read when you have a little spare time."

STEVE DAVIS
World Snooker Champion

DAILY STAR

In a year, Daily Star sales for June '81 have soared 49% to a record breaking 1,585,000* copies a day - up 134,000* copies over last month.
BRITAIN'S FASTEST GROWING NATIONAL NEWSPAPER
*Subject to audit

New 21st Issue National Savings Certificates

£154

for £100 in 5 years

Guaranteed. No tax to pay!

You want to plan ahead for your savings and protect them against any further falls in interest rates. If you make an investment today, how can you tell what return it will give you in 5 years' time?

There is one certain way. Buy the new 21st Issue National Savings Certificates. They are on sale now. And over their 5-year life they give £154 for every £100 invested.

This is equivalent to a compound annual interest rate of 9% over the full 5 years, and is guaranteed, whatever happens to other interest rates.

At the current basic rate of income tax, this is equal to 12.9% p.a. gross.

Not a penny of tax to pay!

Any return is free of UK income tax* at all levels and capital gains tax. It does not even have to be declared on your tax form.

Invest up to £5000 now

You may invest any amount from £10 to £5000. Every member of your family may do the same... over and above any other issue(s) of National Savings Certificates you already hold.

Your money is not locked in

Interest is payable after the certificates have been held for 12 months from the date of purchase. You can cash in your certificates whenever

you wish - it only takes a few days - though certificates encashed earlier than the full five years will have a reduced rate of return.

No other investment on offer in Britain today can give you this guaranteed, high-interest tax-free return. Full details can be obtained from most banks and post offices.

*Similar tax concessions also apply in the Channel Islands and the Isle of Man.

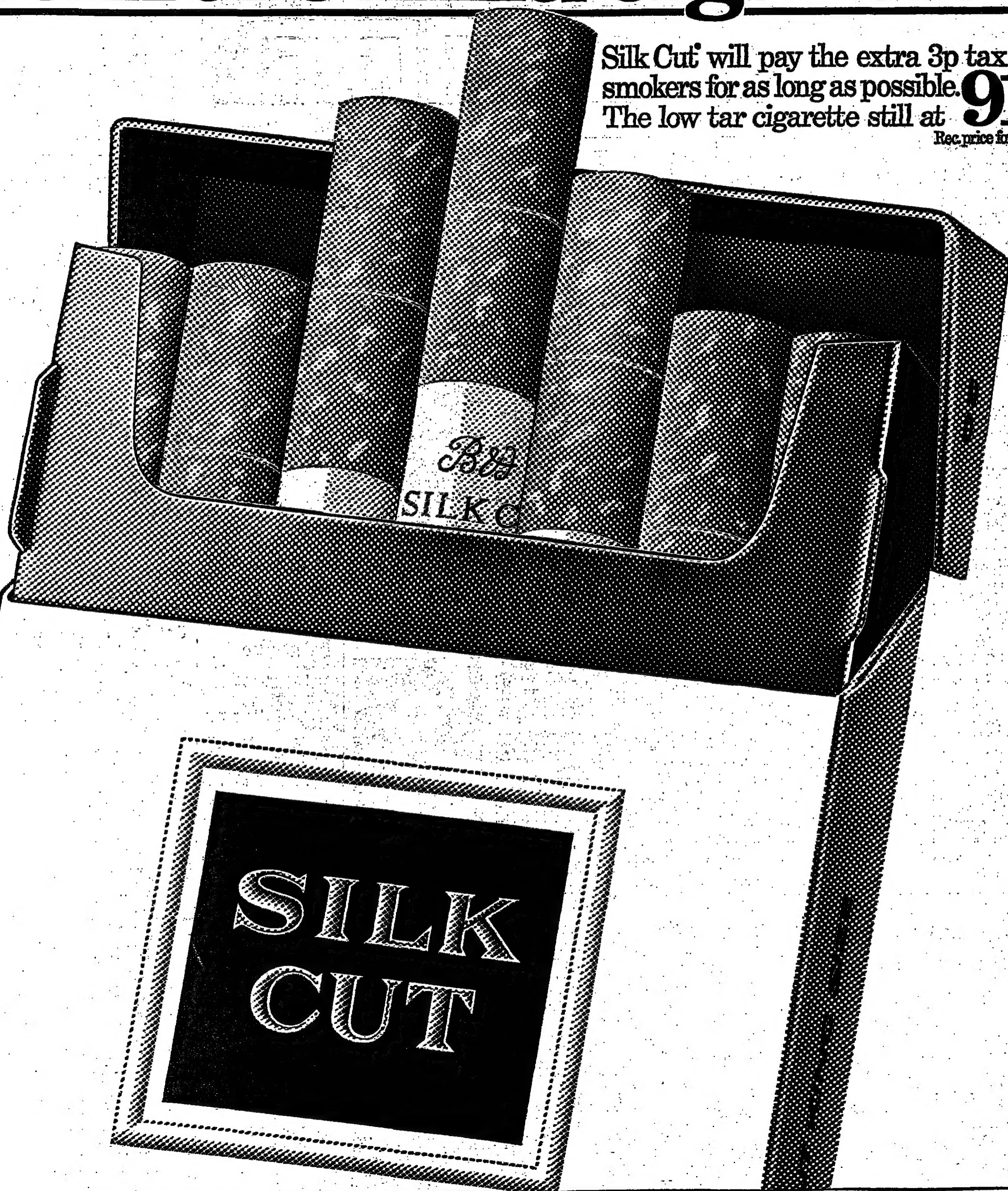
All your money needs.



NS National Savings

A strong reaction to the Chancellor from the mild cigarette.

Silk Cut will pay the extra 3p tax for smokers for as long as possible. **91p**
The low tar cigarette still at
Rec. price for twenty



SC191

LOW TAR As defined by H.M. Government

DANGER: H.M. Government Health Departments' WARNING:
CIGARETTES CAN SERIOUSLY DAMAGE YOUR HEALTH

Carrington puts three-point plan for EEC renewal

From Our Own Correspondent, Strasbourg, July 8

Lord Carrington, the Foreign Secretary, today proposed three themes for the development of the Community when he addressed the European Parliament at the start of Britain's six months' EEC presidency: renewal, enlargement and the search for collective identity.

The Foreign Secretary said the EEC was once more at the crossroads. "Decisions vital to its future development are due to be taken. If we are to succeed we must retain a vision of where Europe is going and of the Europe we want if we are not to become obsessed by our current problems."

Lord Carrington said he had chosen the word "renewal" because there was no question of overthrowing or discrediting the achievements of the Community. The requirement was to "modify, adapt and strengthen existing policies and where necessary to elaborate new ones."

The EEC's renewal had to be based on the reform of the budget and expenditure. It could "not be right that about half the Community's budget should be spent simply on the storage and disposal of surplus food". "This is an expensive and wasteful anomaly that must be corrected," he said.

The Foreign Secretary said more EEC resources needed to be channelled into "policies dealing with the problems of the 80s: regional development, rehabilitation and training, energy and perhaps new policies for industrial regeneration and urban renovation."

He quickly dispelled any notion that the British Government might be wavering in its opposition to an early relaxation of the 1 per cent limit on member states' value-added tax transfers to Brussels, which form the main source of revenue for new policies.

It was politically unrealistic, Lord Carrington said, to ask for resources to be increased "until it is clear that the budget has been restructured in such a way as to ensure that the excessive rate of growth of agricultural expenditure has been curbed, and that member states will not be called upon to make unreasonable or unacceptable contributions to it".

In a reference to the large net contributions to the budget of Britain and West Germany, the Foreign Secretary said: "If a community based on consensus and the common good is to flourish and advance, then every member state has to be broadly satisfied that the Community's financial basis is sound and equitable."

Renewal also meant extending the benefits of free trade already enjoyed by manufacturing industry to service industries such as insurance, banking and air travel. The service sector was now almost as important a source of wealth and employment as manufacturing industry.

Lord Carrington said that enlargement of the EEC to include Spain and Portugal would, if tackled with imagination and goodwill, strengthen both the Community and the new democratic systems of the Iberian peninsula.

By "identity" Lord Carrington said he meant "the impact that Europe can and should have on the events of the world outside". Only if the EEC was conscious of its collective identity could it "play the active role in international affairs of which our citizens and those of the world outside believe us to be capable".

The development of common positions on the main international issues was one of the most effective ways the EEC could make its influence felt. Parliamentary report, page 12.

Woman named prefect in radical French reform

From Ian Murray, Paris, July 8

For the first time a woman has been chosen to be prefect in France. The appointment of Mme. Yvette Chassagne to be the Government's representative in the department of Loir et Cher breaks the male domination of this post, which has existed since 1791 (1801).

Mme. Chassagne's appointment is just one of the 52 changes in the prefectures all round mainland France and the overseas departments announced after today's Cabinet meeting. It represents the most sweeping collection of changes in personnel in this post including that of April, 1967, when a big shake-up was last announced and 38 prefects were moved.

This change at the top of local administration foreshadows the Government's declared intention of giving the local authorities and regions real control over their destiny and of removing from the prefects their right to interfere in local decisions on behalf of the central administration.

Mme. Chassagne is herself something of a trailblazer in France, having in 1974 been the first woman to become permanent secretary in the civil service—and then the first to be named a councillor at the state audit office.

The Cabinet also approved a draft law aimed at doing away with the Court of State Security. This had been promised by President Mitterrand before his election, after strong and growing criticism of the "Star Chamber" fashion in which the court operated in dealing with cases of spying and supporting autonomist groups.

The court came into existence in 1953, essentially to deal with people involved with terror organizations born of the



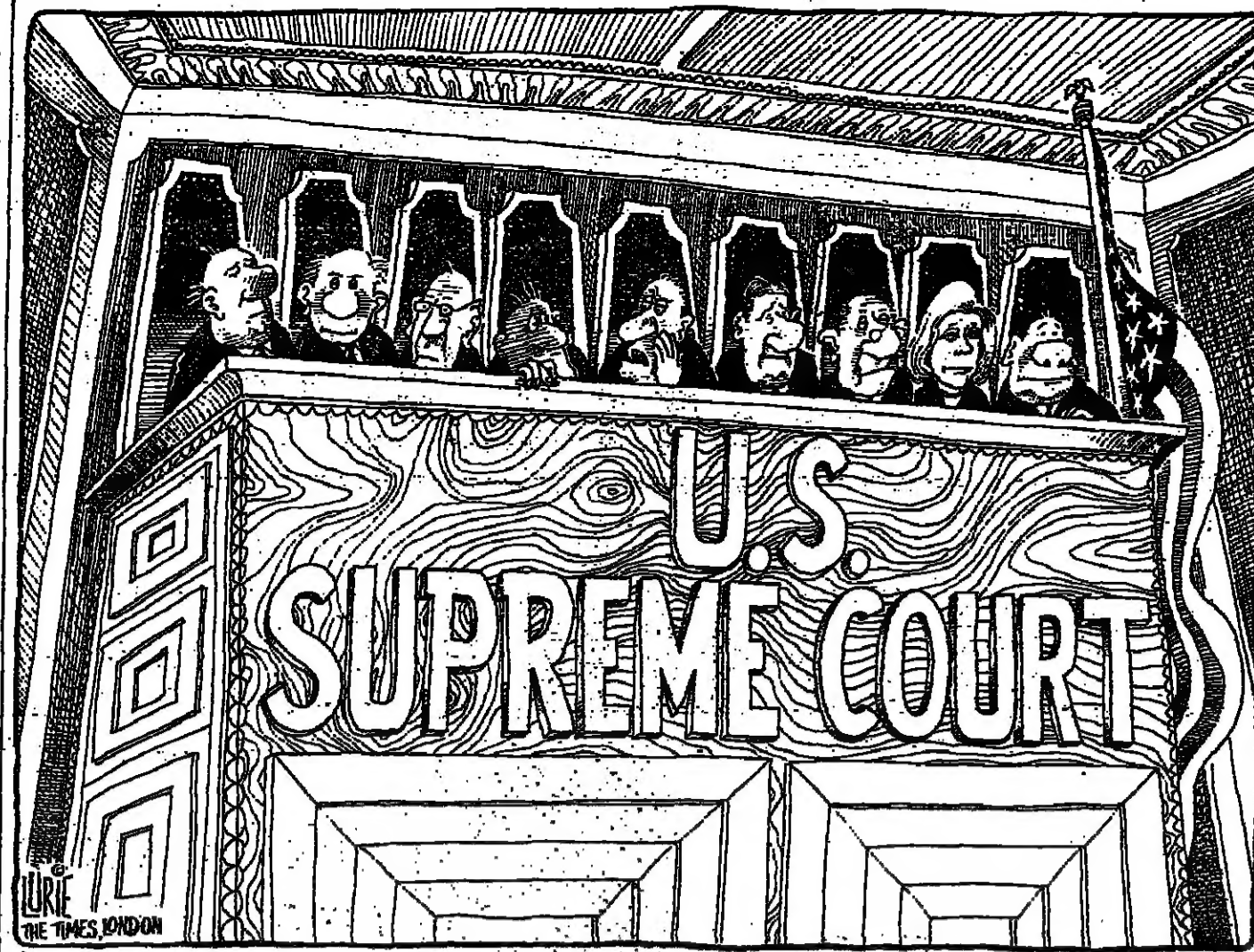
Mme. Yvette Chassagne: career as trailblazer.

Algerian war. Later, it has been used for trying Corsican, Breton and Basque militants.

The Government has decided that cases of spying should be tried by the military courts, while acts of terrorism should come before the ordinary courts and be tried under common law.

The other important legislation agreed by the Cabinet was the Amnesty law, which is traditionally passed after the election of a new President. This time the law is far more sweeping than in the past, and among those now likely to be freed are some imprisoned by the Court of State Security.

Other categories of offenders who would be amnestied include most prisoners sentenced to less than six months as well as those fined no more than 5,000 francs (€50). Those charged with breaking the state broadcasting monopoly will benefit from the law, as will the newspapers *Le Monde* and *Libération*, both of which were being prosecuted for alleged contempt of court.



Expulsion threat to Ian Smith

From Stephen Taylor Salisbury, July 8

A senior Zimbabwe Cabinet minister has warned Mr Ian Smith, the former Prime Minister, that he could be expelled from the country if he continued to make alarmist statements.

Mr Enos Nkala, the Minister of Finance, was reported in the *Herald* newspaper here today as saying that Mr Smith was undermining the Government's policy of reconciliation and was spreading alarm and despondency among the white community.

The minister, who is an influential figure and was imprisoned for a total of 14 years for political activities, said: "If he wants to be a hero in detention we can arrange it. If he wants to be a hero in South Africa we can also arrange that."

Mr Smith has been campaigning for candidates put forward by the Republican Front Party in two by-elections for white roll seats against the breakaway Democratic Party. The Republican Front won the first of the polls last month and is confident it will be victorious again next week.

In a series of election speeches, Mr Smith has been appealing on a basis of concern for the future—similar to that which saw his party increase its support at each election after 1962 until independence. Although the bogey of the UDI years, majority rule, has become what Mr Smith sees as the danger of one-party rule.

He has also claimed that inflation in Zimbabwe has risen to 20 per cent and that the economy is being mismanaged and it was on these points that Mr Nkala attacked him.

The minister said that inflation had been reduced from about 13 per cent at independence to less than 8 per cent and that government policies had resulted in substantial increases in employment and growth.

"I am fed up and if he does not shut up and start campaigning decently and democratically some of us in the Cabinet will start a campaign to have him detained or thrown out," Mr Nkala said.

Any such action would have dangerous repercussions and is extremely unlikely at present, if only for the effect it would have on whites whose skills are vital to the country.

Another prominent white, Lieutenant-General Peter Walls, the former Army commander, was told he would not be re-admitted to Zimbabwe last year after incurring government displeasure as a result of statements he made to the BBC.

MIG PILOT FLEES TO S AFRICA

From Eric Marden Johannesburg, July 8

A black Mozambique Air Force pilot sought asylum in South Africa after flying his Soviet MIG 17 across the border and signalling to South African aircraft which intercepted him that he wanted to land. He was escorted to Hoedspruit air base, about 50 miles from the Mozambique border.

The pilot, named as Lieutenant Adriano Francisco Bomba, aged 23, was questioned by security officials. He told reporters later that he had flown over the border and landed voluntarily. "I came to South Africa because I do not serve with the Frelimo policy. I cannot see any progress in Mozambique after six years. The way of life is getting worse and I am tired of this."

Pope sits up

Rome.—The Pope's doctors said his virus infection is under control and he is able to sit up in an armchair and take walks through the corridors of the Gemelli Policlinic hospital. Dr Emilio Tresoldi, chief medical officer of the hospital, said that the Pope occasionally has a slight fever but the virus is under control.

Britain's Afghanistan initiative not quite dead, EEC is told

From Michael Hornsby, Strasbourg, July 8

Lord Carrington, the Foreign Secretary, today called on the Soviet Union to reflect on its rejection of the EEC's proposal for an international conference on Afghanistan, and gave a warning that the Afghan problem is not going to go away and would continue to sour East-West relations.

Reporting to the European Parliament on his visit to Moscow earlier this week, Lord Carrington said: "It is obvious that a Soviet refusal to negotiate on Afghanistan makes it impossible to speak of normal relations and prejudices efforts to reach agreement with the Soviet Union on other matters."

In his address, and afterwards at a press conference, Lord Carrington strove valiantly to leave the impression that the EEC's Afghan initiative is not dead, and that the initial hostile reaction of Mr Andrei Gromyko, the Soviet Foreign Minister, should not be taken as Moscow's last word on the matter.

Lord Carrington claimed to have Mr Gromyko's agreement to discuss the Afghan proposal again when they meet at the United Nations General Assembly in New York in September. He hoped the Russians would then respond more constructively to what still

offered the best hope for a negotiated settlement.

The Foreign Secretary also said that quite a lot of details in the EEC's proposal were deliberately left unclear and that some amendments could be made to take account of the Soviet Union's views. But these must "not undermine the basic principles" of the proposal.

Asked to specify what parts of the proposal he considered non-negotiable, Lord Carrington was evasive, but did say: "We certainly could not accept the (Moscow-backed) Sabrak Karmal regime as being the sole representative of the Afghan people."

The Foreign Secretary also made clear that he thought the EEC's proposal for dividing the conference into two stages, one for excluding Afghanistan from the first stage, was by far the best approach. But he was careful not to say that this was the only possible form the conference could take.

At great dramatic importance was attached by Lord Carrington and his officials here to Gromyko's alleged assessment of the EEC's proposal as being "not realistic in its present form", implying that it might be acceptable after amendments

which have yet to be specified.

Other versions of Mr Gromyko's views are less hopeful, however. The Soviet minister is reported to have referred at one point to the Afghan initiative as "a silly little scheme", and privately Foreign Office officials admit that the Russians may simply not be in sufficient trouble in Afghanistan to find the EEC's approach attractive.

It is certainly hard to see a way around the central problem posed by the Soviet Union's insistence that the legitimacy of the Sabrak Karmal regime must not be accepted as the starting-point for any international negotiations leading to a withdrawal.

Lord Carrington said that Mr Gromyko had told him that the EEC's proposal was unrealistic "because the main problem was not the exclusion of Afghanistan, but the exclusion of Afghanistan from the first stage, was by far the best approach. But he was careful not to say that this was the only possible form the conference could take."

The Foreign Secretary said that he had replied that he did not find these arguments convincing and has stressed that a complete withdrawal of Soviet troops was essential. Leading article, page 16

Princess ignores low-key Irish protest in Canada

From Michael Leapman, Toronto, July 8

Photographs of Irish-Canadian demonstrators appearing in Toronto newspapers today, sharing prominence with pictures of Princess Margaret and her daughter, Lady Sarah Armstrong-Jones, after the first full day of their Canadian visit.

More than 100 noisy but non-violent protesters stood outside the theatre where they were attending a gala performance of the Royal Ballet.

The royal guests had been warned by their staff to expect some hostility and they took little notice of the demonstration as they strode towards the cheering friendly crowd in the lobby. The police, roughly one for every two demonstrators, easily maintained order.

Yet the Irish Prisoners of War Committee, which organized the demonstration, were well satisfied. Its Irish guests were swelled by Trotskyist sympathizers but there were no reinforcements from the United States.

"It went very well," Mr Michael Quigley, secretary of the committee, said. "It gets the point across to millions of people not just in Canada but all across the world."

"For every one person who will come out and demonstrate there are 20 more who would not be caught dead at the demonstration but feel the same way. It is the only way the point can be got through to the rather thick-headed Government in England."

Mr Quigley said there were no further plans to demonstrate against Princess Margaret and Lady Sarah during their visit.



Princess Margaret smiles as she arrives at the O'Keefe Center in Toronto for a Royal Ballet performance.

A Requiem Mass will be held for the latest dead hunger striker but this will not be linked with the royal visitors. They leave for home on Monday, their proposed trip to Washington having been cancelled for fear of demonstrations by Irish-American groups.

Wedding fever in S Africa

From Ray Kennedy, Johannesburg, July 8

An anonymous letter writer in a Johannesburg newspaper recently asked "the South African Broadcasting Corporation should spend a tidy part of its income on a live television transmission of a foreign wedding."

The correspondent, who signed himself S.A. First, said he also objected to the screening of events such as the FA Cup Final at Wembley and other foreign, mostly British, occasions.

The letter appeared in the *Citizen*, which is republican in sentiment, and hardly pro-British, and for the past three weeks the correspondence in the letters page, by far the majority of letters criticize S.A. First's attitude. Enthusiasm for the royal wedding is, in fact, running at

a high pitch in South Africa and the live transmission of the event will be the longest ever broadcast here.

The broadcasting corporation has booked satellite time from 10.45 am local time to 3.30 pm, a total of 285 minutes of viewing. It will pay only satellite fees as the BBC will not be charging for its coverage.

This will bring the cost down to much lower than the 15,000 rands (£90,000) paid for the Manchester City versus Tottenham Hotspur Cup Final and replay in May.

Mercifully, too, the wedding transmission will be free of commercials, which are as banal in South Africa as anywhere, and which frequently interrupted the 204-minute coverage of the man's single final at Wimbledon on Saturday.

Polish ports halted by strike

Warsaw, July 8.—Polish dockers stopped work for an hour in the Baltic ports today and threatened to stage a general strike unless the Government met their demands for recognized rights and working conditions.

The protest by 46,000 workers in ports from Szczecin in the west to Gdansk in the east halted work on at least 60 ships. It was the country's first big strike for three months.

The dockers were protesting against what they said was the Government's failure to honour a pledge to grant a port workers' charter on conditions and rights by July 1.

A statement issued by the strike committee today set July 15 as a deadline for the Government to accept its demands for a charter. "Otherwise a general strike of all Polish seaports will take place," the statement said.

"Today's taken stoppage was held with the full support of Mr J. Walicki, the leader of Solidarity, the free trade union. Meanwhile, employees of LOT, the Polish state airline, announced tonight that a threatened four-hour strike would go ahead as planned tomorrow unless the Government changed its mind at the last minute."

Official Polish sources said that a new spiral of industrial unrest could have damaging repercussions at the emergency party congress scheduled to begin next Tuesday, possibly encouraging hardliners to question the viability of the policy of dialogue.

Spokesmen for the small Autonomous Trade Union Movement were quoted today as saying that tomorrow's threatened national airline strike could provoke Warsaw Pact military intervention. This movement is one of two non-solidarity union groups which emerged after last summer's labour revolt.

Their warning was countered by Solidarity's Warsaw news bulletin, which said: "The notion that a four-hour airline strike could provoke intervention is an insult to our allies and common sense."

LOT employees are threatening to strike in protest against the Government's refusal to recognize the general manager elected by a workers' council.

The Government says it cannot accept Mr Bronislaw Komarowski, because LOT formed part of the country's defence establishment and must be subject to central control. Reporter.

Arrigo Levi: A personal view

A Likud man flexes his party muscles

"It was difficult to walk with stars". This is how Mr Yitzhak Shamir, who is expected to remain Foreign Minister of Israel in a new Begin Government, explains Likud's declining fortunes a year ago. The cohesion of the coalition was restored when "the stars"—Mr Moshe Dayan and Mr Ezer Weizman—resigned, and Mr Menachem Begin's Likud party again won public favour.

Mr Shamir, in his first interview since the election campaign, told me why he considers Likud "the real victor". Labour got back only its votes of 1973, while Likud continued to grow, so that "it has now become one of Israel's two great parties, like a conservative party in Europe or America."

Likud has strong foundations in the masses, especially among Oriental Jews, who know very well the Arabs, and he says: "It has come to stay. One day it will govern by itself."

Mr Shamir, in discussing the coming Government's foreign policy, pointed out that "we have a timetable and must act within it: first we must complete the negotiations on autonomy."

He sees no difficulty in reaching an agreement soon, since "the positions of the two sides are clear: any way, none are."

He reminded me that Camp David left no doubt that Israel would accept no autonomy agreement that would put a stop to new Israeli settlements in the territories. Mr Shamir feels that Israel will not have to give up its plans for new settlements in order to reach an agreement with Cairo.

This view is not shared by all. The moderate Arab mayors of "the territories" are confident—as one of them told me—that "Sadat will not betray his brethren. He will continue stalling until the full return of Sinai in April, 1981. Egypt will then become again a free agent, and we shall act."

Mr Shamir is convinced that the autonomy talks will not fail. But even if they should fail, the peace process will not be abandoned. He planned "Israel keeps its obligations. We will keep our promises," he says.

It seems that in the mid of Israel's present leaders, peace with Egypt is a closed chapter, which allows them to look to the future with confidence.

Mr Shamir also describes Israel's relations with America as "very friendly, very close. Such friendship cannot suffer seriously from an occasional divergence of views," as he defines America's condemnation of Israel after the air attack on Iraq's nuclear reactor.

If Israel's relations with Egypt and America remain strong and stable, Mr Begin can indeed face with great confidence the problem of the territories. These, Mr Shamir claims, were "occupied" by Jordan only after 1948. Their annexation by Jordan was never recognized by the world.

Mr Shamir says: "autonomy is neither sovereignty nor independence and we must find a solution within the framework of this concept. We are against another Palestinian Arab state and against the Palestinian Arabs' self-determination, because the Palestinian Arabs already have their state, which is Jordan. This is 80 per cent of the Palestinian population, culture, religion, people are all Palestinian. So, the right to self-determination has already been fulfilled," he states.

"As far as the territories are concerned, there is the problem of the Arab population, which does not want to live under Israeli military control," Mr Shamir adds. "This is why we suggested autonomy, a solution which can be found in many other places, including Italy's South Tyrol. Such problems appear when there is a population which is ethnically different from the majority of the state in whom these territories belong."

Mr Shamir refuses to say whether Israel will propose, in five years, an annexation of the territories by Israel. He merely repeats that there will be negotiations and each side will present its own proposals. But his words leave few doubts as to what should be the final destination of "the territories" in the view of Mr Begin and to his closest colleagues.

Mr Shamir's view of the future is explained both by his confidence in Israel's strength and by his optimism as to Israel's relations with Egypt and America. It is that "the Palestinian movement, in time, will disappear. There is no other possibility."

"The P.L.O.," he says—and he is quite right—"has not been able to prevent Israel from leading a normal life. There is less terrorism in Israel than in many European countries. The P.L.O. has failed."

The Arabs, he concludes, hoped to destroy Israel through conventional war, then through terrorism, then with nuclear weapons. All these possibilities have not proved unfeasible. So there remains only one option—peace.

"The Arabs will have to accept us and make peace with us," Mr Shamir says. © Times Newspapers Ltd.

UN anger as bulldozers render 76 homeless

From Christopher Walker, Jerusalem, July 8

The United Nations Relief and Works Agency (UNRWA) has protested strongly to the Israeli Foreign Ministry about the recent demolition of family houses in the occupied Gaza strip which has left 76 relatives of suspected Palestinian terrorists homeless.

Mr Peter Hawkins, the agency's field officer in Gaza, told *The Times* today that since the houses were destroyed by Israeli bulldozers and explosives experts the families—including many women and young children—have been living among the rubble under canvas sheeting provided by the Red Cross.

The first five houses were destroyed on July 17 in the Jabala refugee camp after the arrest of six suspected members of Palestinian terror groups which were alleged to have committed between them 14 murders. Two more houses were destroyed in another Gaza refugee camp on June 22 after the arrest of two more suspected terrorists leaving another 10 Arabs homeless.

The Israeli policy of destroying houses where suspected terrorists have lived or stored weapons is based on the British-drafted Emergency Defence Regulations of 1945, a draconian piece of counterinsurgency legislation originally intended for use against both Jewish and Arab extremists.

These people have neither running water nor kitchen and we have no alternative homes to offer them," Mr Hawkins said. "If nothing is done before the beginning of winter their situation will become desperate. As far as we are concerned this is collective punishment of innocent people whose only crime was being related to suspects."

In his letter to the Foreign Ministry Mr Rydbeck is understood to have cited the fourth Geneva convention of 1919 which stated that destruction of property has no place in the power of a prohibited, except where such destruction was rendered absolutely necessary by military operations.

Earlier this week Mr Hawkins met the Gaza military governor to protest about the conditions of the Palestinians made homeless in the latest demolitions in many European countries. The P.L.O. has failed."

Mr Hawkins met the Gaza military governor to protest about the conditions of the Palestinians made homeless in the latest demolitions in many European countries. The P.L.O. has failed."

Mr Hawkins met the Gaza military governor to protest about the conditions of the Palestinians made homeless in the latest demolitions in many European countries. The P.L.O. has failed."

Mr Hawkins met the Gaza military governor to protest about the conditions of the Palestinians made homeless in the latest demolitions in many European countries. The P.L.O. has failed."

Mr Hawkins met the Gaza military governor to protest about the conditions of the Palestinians made homeless in the latest demolitions in many European countries. The P.L.O. has failed."

DAILY STAR READER PROFILE



"It's a good and great paper for the working man and woman."

MICHAEL FOOT
Leader of the Opposition

In a year, Daily Star sales for June '81 have soared 49% to a record breaking 1,585,000 copies a day—up 134,000 copies over last month.
BRITAIN'S FASTEST GROWING NATIONAL NEWSPAPER
*Subject to audit

Volvo 244DL	£6656
Saab 900 GLS	£6852
Ford Granada 2.3L	£7235
BMW 520	£8150
Mercedes 200	£8700

Volvo	18.7 years
Saab	13.6 years
Ford	13.3 years
BMW	14.0 years
Mercedes	16.0 years

YOUR MONEY GOES FURTHER IN A VOLVO.

If the figures above surprise you, we're not surprised.

Who would have thought the Volvo 244DL could cost less than the Ford Granada 2.3L?

Who would have thought Volvo (the marque) could have a higher average life expectancy than Mercedes?

But it's true. The prices are those published for all to see in the motoring magazines.

The life-expectancy figures are based on official Government statistics in Sweden:

(If you think they might be biased, you'll be reassured to know that a similar survey carried out in Belgium puts the Volvo at No.1 too.)

Of course, Volvos have long been admired for their longevity. And like all our cars, the 244DL is a model of durability. As well it might be.

It undergoes a 19-stage rust-proofing and painting process.

A PVC coating is applied not only to the underbody, but to the sills and side panels too.

All vulnerable and inaccessible components get a generous layer of double-sided hot zinc plate.

The exposed parts of the exhaust system have a rust-resisting aluminium finish.

And the brake pipes are made of the same copper/nickel alloy to be found on the £21,826 Porsche 928.

In view of all this, it's really no wonder that the Volvo lasts so long.

Nor is it any surprise that our car holds its value so well.

What is baffling, though, is how a car that's made to such exacting standards could possibly cost less than the Ford Granada 2.3L.



VOLVO. A CAR WITH STANDARDS.

PRICES ARE FOR MANUAL VERSIONS INCLUDING CAR TAX & VAT AT THE CURRENT RATE. FOR THE 1981 VOLVO INTRODUCTION PACK WRITE TO: DEPT. T15, VOLVO CUSTOMER SERVICES, HIGH WYCOMBE, BUCKS. HP12 3PN. PRICES FOR THE NEW 1981 200 SERIES START FROM £6656 (DELIVERY AND NUMBER PLATES EXTRA). ALL PRICES CORRECT AT TIME OF GOING TO PRESS. SALES TEL: HIGH WYCOMBE (0494) 33444 (OFFICE HOURS) OR FOR 24 HOUR BROCHURE SERVICE TEL: (01) 200 0200. SERVICE TEL: IPSWICH (0473) 72026. PARTS TEL: CRICK (0789) 823611. *SOURCE: SWEDISH MOTOR VEHICLE INSPECTION CO. 1980.



'Desk murderer' walks free from Nazi trial

From Patricia Clough, Kiel, July 8

Kurt Asche walked out of court a free man yesterday after being sentenced to seven years imprisonment for his part in the murder of the 26,000 Belgian Jews deported to Auschwitz during the German occupation.

The man described during his trial as Belgium's Eichmann is aged 72, and was freed pending confirmation of the sentence because there seemed little chance of his evading justice. The public prosecutor, lawyer for 49 co-plaintiffs and the defence all said they would apply to the High Court for a review of the verdict. It therefore appears unlikely that Asche will enter jail before the end of this year at the earliest.

Dr Rudolf Dann, the presiding judge, said no sentence could match Asche's crimes or stone for what he had done. If it were possible for Germans to make up for the Nazi past, the courts were not the place to do it.

The sentence was merely symbolic, the expression of the court's clear disapproval of what the accused had done, he said.

Seated below a dusty placard with the scales of justice in one hand and a sword in the other, Dr Dann was evidently painfully aware of the importance of West German justice before the crimes of the Holocaust.

As Dr Dann had evidently foreseen there were vehement protests at the sentence. As soon as the judge's comments were over a bubble of voices rose in the foyer as former Auschwitz inmates and co-plaintiffs whose parents and relatives had died in the gas chambers, expressed their disgust.

"A great Schweine!" commented Mme Miriam Wald, a former Auschwitz captive with her camp number tattooed on her forearm.

"It is scandalous," protested Mme Sophie Reichenman, whose mother, grandmother and other relatives died at Auschwitz. "It is a scandal for the dead, for the Jews and for the German people. It is not possible that he should be allowed to leave the court a free man," she said.

Maitre Serge Klarsfeld, a lawyer for the co-plaintiffs who, with his wife, Beate, had played an important part in getting this and similar cases before the courts, said he was satisfied that the sentence was fair. "It was a fair trial," he said.

Asche's greyish face with its sharp features, remained expressionless during the verdict as it had done throughout the trial. As in other Nazi crime trials, onlookers had difficulty in associating this unobtrusive

looking pensioner in his neat grey suit with the horrors recounted by witnesses.

The trial is the last of several of the "desk murderers", the SS officials who, with a stroke of their pens, sent thousands of Jews to their deaths without laying their hands on a single one.

Asche was the head of the Jewish office of the German security police in Brussels and was responsible for the registering, rounding-up and deporting of Jews in cattle trucks to the death camps.

Originally there had been two other defendants, Ernst Boje Ehlers and Dr Konstantin Canaris, nephew of the wartime Admiral. Both of these former SS colonels had been the heads of security police at different times in Brussels.

Asche's immediate superior, Ehlers, committed suicide the month before the trial opened and Dr Canaris, aged 74, has been certified too sick to stand trial.

It is now 18 years since proceedings opened. The investigations started late, were pursued slowly and much time was lost in appeals when an earlier court refused to send Asche for trial on the grounds that the evidence was not strong enough.

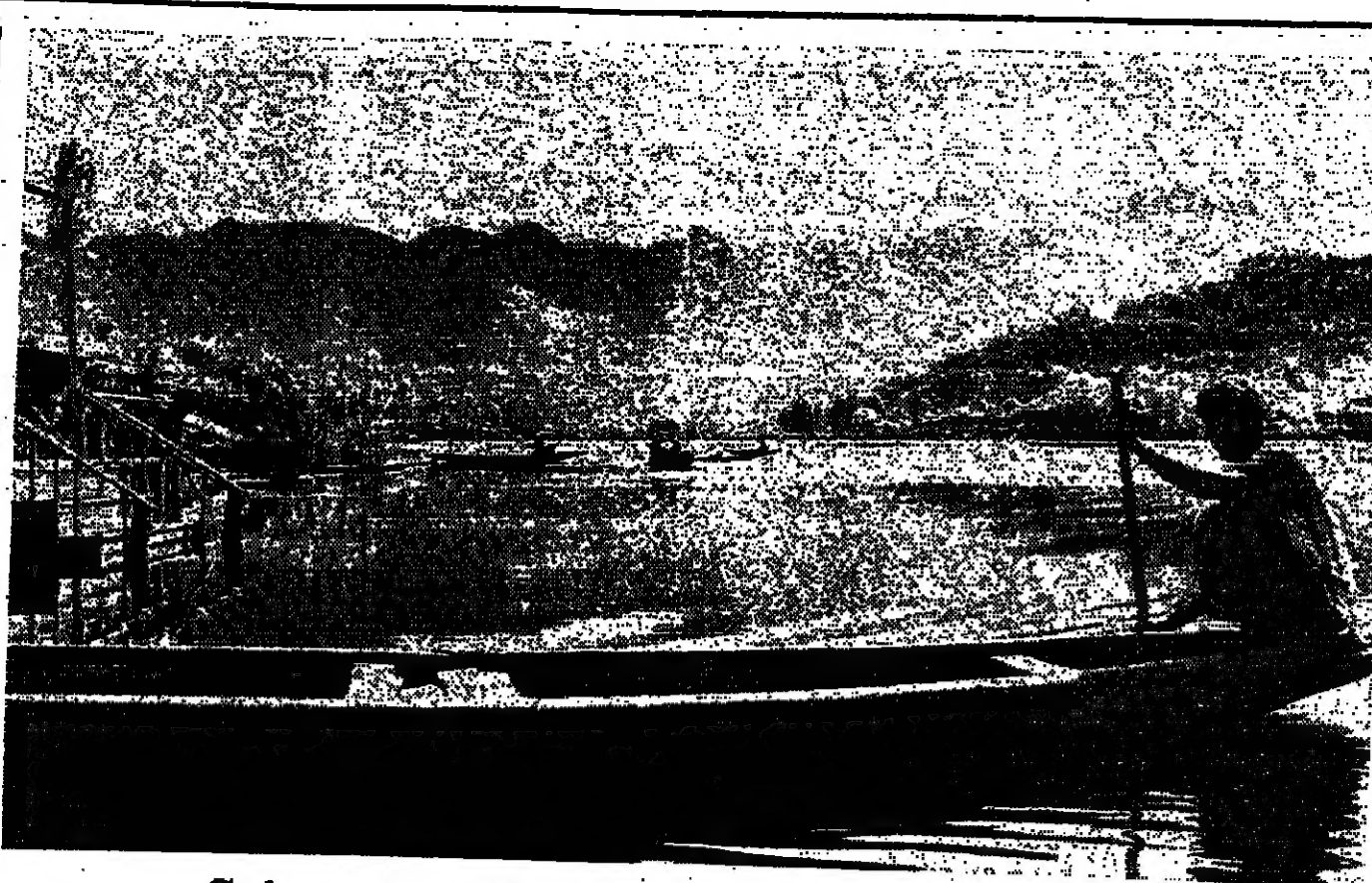
Maitre Klarsfeld and his wife had expedited the proceedings by producing documents and by protests, including the ransacking of Ehlers's home, to draw the public's attention to the delays.

Throughout the trial, Asche insisted that he had played an insignificant role, that his work consisted mainly of going over old documents and that, above all, he had no idea that the Jews were being sent to their deaths. He said he thought they were simply being sent to work camps.

The court found that he supervised everything to do with the rounding-up and deporting of the Jews and that he must have known where they were going.

Jewish and German witnesses who had been in Brussels at the time, testified that they either knew or suspected the real purpose of the deportation. If the little people knew, the court could not imagine that the head of the Jewish office, who had discussed the deportations with the main Jew hunter Adolf Eichmann, could not have known.

The court's view of Asche amounted to a thumbnail sketch of so many middle-sized cogs in the Holocaust machine. Unemployed, he had joined the Nazi Party not out of conviction but in the hope that he would thus find work.



Srinagar, where the lotus buds choke

From Trevor Fieback, Srinagar, Kashmir, July 8

"Pale hands, pink-tipped, like lotus buds that float on those cool waters where we used to dwell."

The trouble today with the fabled cool waters of Dal Lake, in Kashmir, is that they are in danger of being choked by weeds and ruined by pollution.

With the lake in such critical condition, the state Government is seeking British conservation expertise to save it.

Dal Lake, set against a background of Himalayan peaks and orchard covered slopes, is one of India's natural wonders and an important resort offering cool green respite from the baking plains. The feeding, housing and transport of tourists, and the large scale manufacture of carpets, clothing, handicrafts and gewgaws are a vital part of Kashmir's economy.

The lake, on which the state capital of

Srinagar stands, has been the centre of Kashmiri civilization for more than a thousand years. It was the resort of Moghul emperors who laid out the famous lakeside gardens of Shalimar and Nishat during the seventeenth century.

During the last century the lake has shrunk. Local people have for a long time been making floating market gardens of weed, willow and mud, for the growing of fruit and vegetables. Gradually these gardens have become anchored and merged to form islands.

When the Victorian poet Adela Florence Nicholson wrote of "pale hands I loved twice the six square miles it is today."

While people have been reclaiming the lake, the waters themselves have been

colonized by houseboat builders getting round the law which forbids non-Kashmiris to own land in Kashmir. There are now ubiquitous shikaras, and these have become part of the lake's character.

There is a price for their picturesque presence, however. They discharge effluent into the lake. This and other nutrients entering the water have encouraged weed growth to the extent that parts of the lake have become covered with sargassum; and pollution poses a threat to health.

After a survey made a few years ago by environmental specialists from New Zealand, the Kashmir State Government started some remedial work.

But the overall problem remains acute. Srinagar badly needs a better freshwater supply and drainage system.

SOVIET SPY PARDONED IN FRANCE

From Ian Murray, Paris, July 8

M. Pierre-Charles Pathé, aged 71, has been released from prison after being pardoned by President Mitterrand for having given information to the Soviet Union over a long period.

The son of the French cinema pioneer, M. Pathé was an ideological Marxist, cultivated by KGB (Soviet Security police) agents, whom he used to meet frequently. He was jailed for five years by the Court of State Security in May of last year.

His release is on humanitarian grounds because of his age, and is further proof that President Mitterrand intends to do away with the Court of State Security. There are now only nine people held in French prisons for spying.

Reagan promises to resist protectionists

From Frank Vogt, Washington, July 8

President Reagan's White House today issued its long-awaited international trade policy declaration and firmly called for greater global efforts to secure free trade. It stated that his Administration "will strongly resist protectionist pressures."

The trade statement, which has taken several months to prepare and which has been the subject of wide consultations with Congress and all Cabinet departments, warns foreign countries that the United States will act swiftly against violators of international trade agreements.

The statement emphasizes that the Administration will not subsidize selling American companies, or bail out firms suffering from international competition. Mr William Brock, the United States Trade Representative, told senators today that "we should be prepared to accept the competitive challenge, and strongly oppose trade-distorting interventions by government."

Key part of the Administration's trade policy, according to the statement, is more vigorous promotion of American exports and the Administration will seek tax cuts for Americans working abroad. The Administration will also support congressional efforts to create trading companies that will eliminate regulatory disincentives to exports and it will change and weaken foreign corporate bribery laws.

The statement will form an important part of the President's message to Congress when he will make his annual state-of-the-union address later this month at the Ottawa economic summit conference of leaders of the largest industrial nations. At that session the President will emphasize to the French in particular, that he staunchly opposes the use of government credit subsidies to boost exports.

The Administration, according to the statement, will strive to cut substantially, if not eliminate entirely, the subsidy element in governmental export credits.

Mr Brock, the Cabinet officer in charge of international trade negotiations, told a joint meeting of the Senate's finance and banking committees, that the Administration is pledged to the free and fair trade and

Extradition for Basques

From Our Own Correspondent, Paris

The court at Pau in the Pyrénées-Atlantiques agreed today to recommend the extradition of three Spanish Basques wanted for murder in Spain.

The same court turned down an extradition request for six other Basques, who are wanted for offences varying from armed robbery to bomb attacks and to stealing explosives.

The recommendations for extradition have to be confirmed by the Government, which has already made it plain that only criminals wanted specifically for offences against common law are liable to be handed over to the justice of another country.

Prosecutor goes to Zurich over P2 case

From John Earl, Rome, July 8

Signor Domenico Sica, the Rome deputy public prosecutor, today had talks in Zurich with Swiss legal officials, to seek information about numbered bank accounts reported to be held by Italian politicians involved in the masonic P2 affair.

The numbers were understood to be contained in documents seized from Signora Maria Grazia Donnini, the daughter of Signor Licio Gelli, the P2 Grand Master, when she arrived at Rome airport last Saturday from Nice. She was first held for questioning, and was then arrested on charges of espionage and complicity in conspiracy.

According to judicial sources, she was carrying five envelopes containing documents, addressed to P2 members in Italy. One was alleged to contain the numbers of bank accounts of minor politicians from various parties.

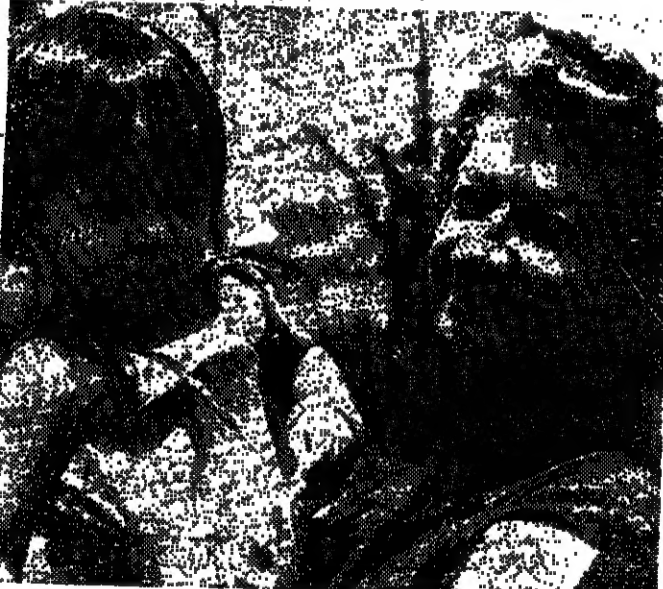
Others were said to hold blocks of blank P2 membership forms and a photocopy of a report in English, purported to come from the United States Central Intelligence Agency about plans by P2 to disrupt countries of Western Europe.

These details are unofficial and unconfirmed, but Signor Sica's visit to Zurich last night and the arrest of Signora Donnini suggest that the documents contained information of importance to the P2 inquiries. She evidently did not expect her personal baggage to be searched on arrival and had booked a return flight to Nice for Sunday evening.

Signor Gelli, who is wanted on several charges including political espionage, is believed to be in South America. The Italian authorities are working on the theory that he sent his daughter from South America by way of Nice to deliver the documents to certain trusted P2 associates here, to make use of them as they saw fit.

The P2 masonic group, which had nearly 1,000 names on its list, has been officially classified by the Italian Government as a secret organisation. Among those whose names were listed several of whom have denied membership were prominent figures in the armed forces, civil service, financial and business worlds, as well as three ministers in the last Government.

Senator Giovanni Spadolini, the new Prime Minister, has promised legislation to suppress it and any other clandestine power centres. Most of those in public service have been suspended pending official inquiries.



Nurses' VC for Britain

Miss Helen Cookson, a British Red Cross nurse from Garstang in Lancashire, (above) has been awarded the highest international honour the Red Cross movement can bestow, the Florence Nightingale Medal.

The medal, which is awarded to a maximum of 36 people once every two years, is

dubbed "the nurses' VC" and is presented "for great devotion to the sick and wounded in time of peace or war". Miss Cookson went to Hongkong at the height of the "boat people" crisis in 1979 and turned a derelict building into a medical centre which now serves 17,000 refugees.

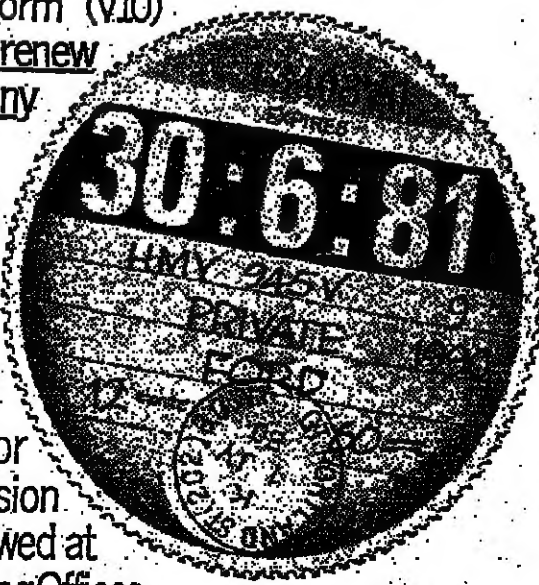
Has your licence run out?

Industrial action at the Driver and Vehicle Licensing Centre in Swansea means that vehicle licence renewal reminders for July have not gone out.

But, to drive on the road, you still must have and display a valid tax disc. So please check your licence. If it expired on the 30th June, make sure you renew it by the 14th July. You don't need a reminder to do this, you can use an ordinary application form (V10) which is available in Post Offices. You can renew your licence at any main Post Office and many Sub-Post Offices.

You need to take your registration document, insurance certificate, test certificate (if applicable), and the duty payable. If you don't have a registration document, if there has been a change in tax class, if you are relicensing a heavy goods vehicle, or the vehicle is subject to a Customs concession or restriction, your licence can only be renewed at one of the Department's Local Vehicle Licensing Offices.

Issued by the Department of Transport.



Officer in alleged Spanish conspiracy is rearrested

From Harry Debelius, Madrid, July 8

The Spanish Government took legal action for the second time today to keep an Army officer in custody during an investigation into subversive activities. It was reported here today that the Government was counteracting the successive orders of a military judge and a civilian magistrate to release him for lack of evidence.

The officer, Major Ricardo Saenz de Yncirilla, was placed under arrest by military authorities at the Government's request on June 23, and an investigating officer ordered his release four days later. The Government then immediately had him rearrested under the terms of the Anti-Terrorist law, but a magistrate ordered that he be freed 10 days later.

Major Saenz de Yncirilla was contracted in 1979 for his part in the so-called "Galaxy plot" to overthrow the democratic Government, but he later returned to active duty. He was one of four Army officers and 12 civilians who were taken into custody last month in connection with what the Government called a plan to destabilise Spain's democratic regime.

The State Prosecutor appealed yesterday against the latest court order to free the major. As a result the major must now remain in prison at least until the appeal has been heard. The appeal may take up to 25 days, according to legal sources here.

Of the 12 civilians who were interrogated in connection with the case, all but three have been released, and the remaining three were to have been freed together with the major by the same court order against which the Government appealed. Consequently they too must remain in prison pending the outcome of the appeal.

The arrests came after a home-made bomb went off as it was allegedly being placed in a dustbin in a Madrid street by a young right-wing activist. Police said they found evidence in his possession which implicated the others.

DAILY STAR READER PROFILE



"I read the Daily Star because it talks to real people."

MARY QUANT
Britain's best known name in fashion, cosmetics and design



In a year, Daily Star sales for June '81 have soared 49% to a record breaking 1,585,000* copies a day - up 134,000* copies over last month. BRITAIN'S FASTEST GROWING NATIONAL NEWSPAPER *Subject to audit

33 DIE IN BUS

Delhi, July 8.—A bus with 52 passengers plunged into a 300ft gorge in Eastern India, killing 33 people and injuring 20. The accident occurred near Aizawl, capital of Mizoram.

MEN'S FOIE PAS

Bergerac, France, July 8.—Two men who stole 62lb of foie gras worth £1,750 were jailed for a year and fined £7,000.

Government coalition breaks up in Nigeria

From Karen Thapara Lagos, July 8

The civilian coalition government which came to power after 13 years of military rule here fell apart today after less than two years amid acrimonious exchanges.

President Shugu Shagari's National Party accepted the immediate abrogation of its coalition with the Nigerian People's Party. Earlier this week, the Peoples Party had issued a six-month notice of termination of the accord.

Today's acceptance by the President's party says: "We accept the notice of termination with immediate effect. We expect all Peoples Party ministers, the deputy president of the Senate and the Speaker of the House of Representatives to resign immediately. That is the path of honour."

In his reply to his Peoples Party counterpart, the National Party chairman has written to say that with the exception of his help in the election of the senate president in October, 1979, the Peoples Party gained nothing from the coalition accord with the Peoples Party. "Since then," the statement added, "we have received only open confrontation from your party."

As far as the National Party is concerned, the accord did one year ago, and the Peoples Party was its only beneficiary.

The 21-month-old coalition came to power when the Army returned to barracks in October, 1979. Under Nigerian-American-style new constitution, the fact that the President's party did not have a majority in the National Assembly did not necessitate a coalition.

It was the mood of national reconciliation at the onset of civilian rule which determined the accord. A similar accord had been at the heart of the first Nigerian republic which fell when the Army took over in 1966.

The present coalition first ran into serious trouble when members of the Peoples Party voted against it during the January revenue allocation debate. Their National Party colleagues sought revenge by failing to ratify its ambassadorial nominees.

The impachment of the Kaduna governor last month by National Party men was the last straw. It convinced the Peoples Party that it would be better off in opposition than to accept the responsibilities of power without either the influence, or patronage it thought it deserved.

Diplomats report that on both sides severe doubts as to the efficacy of the coalition had existed for several months. The Peoples Party feared the National Party was trying to displace it. The National Party had come to regard its partner as an encumbrance.

The fact that it had in recent months secured support from several other individual and party legislators gave it confidence to face the assembly alone.

The result is a rigid polarization, with the National Party Government and President facing four political parties united by their opposition.

The northern electoral base of the National Party and its supporters has now been pitted against the splintered south.

Turnhalle lobby to stiffen American resolve

From Eric Marsden, Johannesburg, July 8

As guerrillas of the South-West Africa People's Organisation (Swapo) and South African security forces clashed for the sixth successive day in the Namibia-Angola border area, it was announced in Windhoek that the two leaders of the territory's ruling party will leave for the United States on Friday for talks with leading American politicians.

The mission will consist of the Rev Peter Kalangua and Mr Dirk Mudge, respectively president and chairman of the Democratic Turnhalle Alliance (DTA), which has 39 of the 50 seats in the Namibia (South-West Africa) National Assembly. Mr Mudge is also chairman of the Namibia Council of Ministers.

The commanding officer of the South-West Africa territory force, Major-General Charles Lloyd, disclosed today that another 12 Swapo insurgents were killed in five skirmishes along the border area yesterday, bringing the total killed in six days to 77. He said that there were no casualties among the security forces, but an Ovambo civilian had been murdered by a group of 30 guerrillas about two miles from the border.

It is understood that the DTA mission to Washington is a reflection of concern in Windhoek that the United States Government may be backtracking on its initiative on Namibia. Recent American statements have emphasized that the United States would support a free election in the territory.

Gibraltar attacks BBC cuts

By Kenneth Gooling

Sir Joshua Hassan, Chief Minister of Gibraltar, yesterday condemned the Government's proposal to shut the Spanish service of the BBC as part of cuts totalling £3m which also affect six of the other language services.

Sir Joshua, who went to see Lord Carrington, the Foreign Secretary, on Tuesday, said the decision was not fair. Referring to the BBC's "accustomed and repeated neutrality", he said it was particularly important now, Spain was going to join the European Community, that there should be understanding between nations.

"I do not see any good reason," he said, "for the services to Spain to be cut." Gibraltar did not like it, and he had told Lord Carrington so. The Somali Ambassador has also made a formal protest to the Foreign Office about the closure of the Somali service.

A Commons motion calling on the Government to rescind its decision had by yesterday been signed by 122 MPs of all parties. A debate on the cuts is expected in the House of Lords before the summer recess.

Ugandans to try Astles for murder

Kampala, July 8—Major Bob Astles, aged 57, the former British road foreman who became Idi Amin's chief adviser, was committed to the Uganda High Court today to stand trial for murder.

Major Astles was extradited from Kenya in May 1979, and has been in Lusira prison outside Kampala for the last two years.

Mr James Duku, the chief magistrate, transferred the Astles case to the High Court and recommended that he be tried "in the very near future" for the alleged murder of Mr Henry Musisi, a Ugandan fisherman. If he is convicted, the maximum sentence is death.

Major Astles said he had been treated well both at prison and by the court, but observers in court noticed that he had lost over 20lb during his captivity. He was wearing a black suit that looked too big for him and he has grown a beard in prison.

During the Amin regime, Major Astles was in charge of Uganda's anti-smuggling unit and it is alleged he killed Musisi in the course of an anti-smuggling operation on Lake Victoria in May, 1977.

Major Astles said that "there was such an incident", but that it involved a Ugandan soldier in the anti-corruption unit and the civilian police.

Watched from the courtroom by his wife Mary, he said that he intended to call witnesses on his behalf and asked for a sketch of the location of the alleged murder.—UPL



Police were forced to use wire-cutters to free a demonstrator, one of four protesters against the Springbok rugby tour of New Zealand who chained themselves to scaffolding outside the Canterbury Rugby Union building in Christchurch yesterday.

There were reports that human blood had been daubed on the outside of the building.

Tour threat to talks Bahamas may be host to finance ministers

Wellington, July 8.—The forthcoming Commonwealth finance ministers' conference will be moved from Auckland to the Bahamas if the planned New Zealand tour by the South African Springboks rugby team goes ahead, Government sources said here today.

A decision on the venue of the September meeting is expected in London on Friday when the Commonwealth's Southern Africa Committee, which consists of London-based Commonwealth diplomats, meets to discuss the issue.

In the meantime, the New Zealand Rugby Union Council is expected to meet to make a final decision on the tour, which is scheduled to begin in two weeks.

Despite pressure from both inside and outside New Zealand, the council is expected to reaffirm that the tour will go ahead. Mr Robert Muldoon, the New Zealand Prime Minister, has said that New Zealand will not attend the Commonwealth finance meeting if it is moved from Auckland in protest against the Springbok tour.

In Christchurch, two anti-tour protesters were arrested today after splashing blood on a portrait of Mr Muldoon and on a desk at the local office of the ruling National Party.

They were arrested later at the offices of the Canterbury Rugby Union, where they splashed blood on the walls and floors.—Reuter.

□ Sporting contacts with South Africa and the Glenageas agreement are likely to provide the more important Commonwealth heads of government meeting in Melbourne starting on September 30, with its most contentious issue (Our Foreign Staff writes).

Mr Muldoon has also threatened to withdraw New Zealand from the Glenageas agreement should the finance ministers move their meeting, and four Caribbean governments have also given notice that they intend to raise the question.

The proposed rugby tour has brought the issue to boiling point. Diplomatic relations between New Zealand and Australia have been strained since Australia refused to allow the Springboks to overly on their way to New Zealand.

Should the tour go ahead, there is little doubt it will lead to turmoil in the conference rooms.

□ Extraordinary security measures will be taken at the Melbourne summit (Our Melbourne Correspondent writes).

Already, police have refused to disclose to the press plans of Melbourne's Royal Exhibition building, even though they are available at every exhibition held there.

Newspapers have been asked not to publish where the Royal Yacht Britannia will be berthed during the conference.

The Queen will be visiting Melbourne but will play no formal role in the conference. Nevertheless she will receive each head of government, probably on board Britannia.

It is clear that the conference, costing an estimated \$13,750,000 (£5,750,000), will be the most elaborate ever held in Australia.

China criticizes US for its links with Taiwan

Peking, July 8.—China today made its most striking attack on United States policy towards Taiwan since President Reagan came into office. The White House, accusing Washington of maintaining disguised official relations with the Nationalist Chinese regime.

It also accused the United States of opposing Third World people in order to support a few "old friends."

The official New China news Agency attacked Mr Larry Speakes, the Whitehouse spokesman who yesterday referred to the Taiwan "Taiwan Government."

The remark of Mr Speakes are both ludicrous and stupid," the agency said, recalling that the Sino-American normalization communiqué of January 1, 1979 recognized the Peking regime as the sole legitimate Government of China.

The report declined from Washington noted that though speaking of the "Taiwan Government" Mr Speakes had said that the Reagan Administration did not intend to change the non-governmental relationship between Washington and Taipei.

"It is a big retrogression for the White House spokesman to call the local authorities of Taiwan, 'Taiwan Government'," the agency went on. "Obviously the so-called non-governmental relationship is merely for covering up the official relationship."

Before the visit to Peking of Mr Alexander Haig, the United States Secretary of State, in mid-June China had strongly attacked American policies towards Taiwan and virtually called on Washington to end its arms sales to the Nationalist regime.

The agency today again alluded to Peking's opposition to United States arms sales to Taiwan and affirmed that the non-official missions maintained by Taiwan and the United States in each other's country "are really embassy and consulate and diplomatic officials."

After the break in diplomatic relations between Washington and Taipei which occurred simultaneously with the Sino-American normalization, the United States opened an American Institute in Taiwan while Taiwan is represented in the United States by a coordination Council for North American affairs.

The agency said that the supply of United States arms to Taiwan which would be used to oppose the central Government of China "went beyond official relationships and interfered in China's internal affairs."

Mr Speakes was yesterday attempting to discount reports that the United States intended to alter its official relationship with Taiwan.

He said: "Since January 20, there have been numerous contacts with the Government of Taiwan, probably more frequent and more cordial than under the previous Administration."

The agency said that the continuing dispute over Taiwan would thwart greater strategic cooperation between Washington and Peking.

Apparently to prove the point, the agency carried a second commentary criticizing the Americans for supporting Israel, South Africa, South Korea and Taiwan.

"The United States Government, because of its bias towards a handful of its old friends is poised against the Arab and African peoples and the peoples of many other Third World countries," it said.—AFP and UPL.

□ China said today that Mr Huang Hua, its Foreign Minister, would not attend a United Nations conference in New York on Cambodia and that a deputy would lead the Chinese delegation.—UPL.

"The number of young people given opportunities on British Rail continues to grow rapidly. The Programme has been an enormous success—for them and for us."

SIR PETER PARKER
CHIEFMAN, BRITISH RAILWAYS BOARD

"Thanks to the training I received through the Y.O.P. I have found permanent work."

DAVID SHAKESPEARE
CATERING ARTIST

"At the Wildfowl Trust we've taken on quite a number of teenagers as part of the Y.O.P. They're helping us and themselves because it must be easier to get a job if you've had some real work experience."

SIR PETER SCOTT
HON. DIRECTOR, WILDFOWL TRUST

"Money I can't give to teenagers. A start in life I can."

HAROLD STEVENSON
CHAIRMAN, PLANTATION, NICKLESSBOROUGH

"Y.O.P. is giving me the chance to learn the skills I would like to use in my future employment."

PAT PEARSON
GARDENING

"Young people are being hit very hard by the recession. We feel that they should be given a chance through Y.O.P."

TOM JACKSON
GENERAL SECRETARY, LNU

"Y.O.P. is like a bridge from the classroom to the working world. As a Careers Officer, I know that it can give teenagers the confidence and motivation which will improve their prospects of getting a permanent job."

RYAN HURST
JOINT SECRETARY, LEICESTER COLLEGE OF EDUCATION

"The future of this country will be in the hands of those very teenagers Y.O.P. is helping today. The T.U.C.s behind it all the way."

LEN MURPHY
GENERAL SECRETARY, T.U.C.

"The C.B.I. is totally committed to the Youth Opportunities Programme. It has set up a special Unit to support it. Industry cannot afford to ignore the plight of unemployed young people."

SIR TERENCE BECKETT
DIRECTOR GENERAL, C.B.I.

"We've been running schemes in our small business since 1977. The M.S.C. said we were just as important as the bigger firms. We've given places to young people we wouldn't normally have considered for a permanent job. Y.O.P. gave them the chance to prove themselves and four of them went on to apprenticeships."

MARY MATTHEWS
MATTHEWS & SONS, CLOTHING, COLOMBO, LONDON

"Around 50% of school leavers may need help from Y.O.P. this year. So I hope that everyone will support it."

FRANK CHAPPEL
GENERAL SECRETARY, DETROIT

"Clearly, you have to provide experience and training. But the M.S.C. pays the youngsters and there are no tax returns or National Insurance contributions."

JOHN WELSH
DIRECTOR, R.A. DRESS PLUMBERS LTD, BOSTON

"I'm one of thousands of teenagers on Y.O.P. I think it's really good and helps the trainees."

PATRICK THOMAS
LONDON

"At the end of the scheme, teenagers get a Certificate of Experience. It's a pleasure to be able to help them get it. You'll find it doesn't inconvenience the day-to-day routine of your organisation."

MARTIN EASTON
GENERAL MANAGER, LILSON GARDENS

Employers! (And that means you—whatever the size of your business). Please ask the operator for Freeform 2361 for more details of the Youth Opportunities Programme. We need you.

YOUTH OPPORTUNITIES PROGRAMME M.S.C.

ADVERTISEMENT

Iran will live again.

The National Movement of the Iranian Resistance

Pressure for ceiling on council rate rises

ENVIRONMENT

The Government would have to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C) asked Mr Heseltine to introduce further measures to protect ratepayers from the consequences of the high spending policies of some local councils.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.

Mr Dover: Following the recent county council elections, Lancashire are levying an 18 per cent supplementary rate. What effect will that have on businesses and households?

Those ratepayers and the electorate will fully support any measures Mr Heseltine wants to take.

Mr Heseltine: Supplementary rates like that will lead to a worsening of the economic situation and to a worsening of unemployment.

Mr Kenneth Eastham (Manchester, Labour): High interest rates are not a new phenomenon. What effect will that have on businesses and households?

Mr Heseltine: Interest rates higher than we have been accustomed to, but the crisis of local government, which Labour is not facing, is a crisis which has not been faced by the world recession.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.

Mr Dover: Following the recent county council elections, Lancashire are levying an 18 per cent supplementary rate. What effect will that have on businesses and households?

Those ratepayers and the electorate will fully support any measures Mr Heseltine wants to take.

Mr Heseltine: Supplementary rates like that will lead to a worsening of the economic situation and to a worsening of unemployment.

Mr Kenneth Eastham (Manchester, Labour): High interest rates are not a new phenomenon. What effect will that have on businesses and households?

Mr Heseltine: Interest rates higher than we have been accustomed to, but the crisis of local government, which Labour is not facing, is a crisis which has not been faced by the world recession.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.

Mr Dover: Following the recent county council elections, Lancashire are levying an 18 per cent supplementary rate. What effect will that have on businesses and households?

Those ratepayers and the electorate will fully support any measures Mr Heseltine wants to take.

Mr Heseltine: Supplementary rates like that will lead to a worsening of the economic situation and to a worsening of unemployment.

Mr Kenneth Eastham (Manchester, Labour): High interest rates are not a new phenomenon. What effect will that have on businesses and households?

Mr Heseltine: Interest rates higher than we have been accustomed to, but the crisis of local government, which Labour is not facing, is a crisis which has not been faced by the world recession.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.

Mr Dover: Following the recent county council elections, Lancashire are levying an 18 per cent supplementary rate. What effect will that have on businesses and households?

Those ratepayers and the electorate will fully support any measures Mr Heseltine wants to take.

Mr Heseltine: Supplementary rates like that will lead to a worsening of the economic situation and to a worsening of unemployment.

Mr Kenneth Eastham (Manchester, Labour): High interest rates are not a new phenomenon. What effect will that have on businesses and households?

Mr Heseltine: Interest rates higher than we have been accustomed to, but the crisis of local government, which Labour is not facing, is a crisis which has not been faced by the world recession.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

That is a challenge to the traditional relationship of freedom which exists between central and local government.

Mr Gerald Kaufman, chief Opposition spokesman on the environment (Manchester, Ardwick, Lab): Of those authorities which Mr Heseltine says are overspending, 14 councils are overspenders to the extent of £18m, according to his criteria, but that is overspending on Conservative budgets.

Are Labour councils to be penalised for Conservative budgets? Mr Heseltine: The effect of my proposals is irrespective of party control. I have shown to each authority, irrespective of political control, the level of hold-back proposed if the budget is not changed from the original submissions. I have acted in a non-political sense.

In other exchanges, Mr Tom King, Minister of State for the Environment, said he would be meeting the Association of County Councils and other local authority associations in the Consultative Council on Local Government on July 30, when he was asked when he would meet them to discuss allocation of block grant.

Mr Gordon Oakes, an Opposition spokesman on local government (Widnes, Lab): Will they discuss the threats of the minister on June 2 about what he will do to local authorities more he will be taken to their views about those threats?

Mr King: We shall have negotiations about block grant some time to assess the budgets.

If it is necessary to have a consultation document, we shall do it at the earliest possible date. We shall press on with it in early September if necessary.

Mr Heseltine: Interest rates higher than we have been accustomed to, but the crisis of local government, which Labour is not facing, is a crisis which has not been faced by the world recession.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.

Mr Dover: Following the recent county council elections, Lancashire are levying an 18 per cent supplementary rate. What effect will that have on businesses and households?

Those ratepayers and the electorate will fully support any measures Mr Heseltine wants to take.

Mr Heseltine: Supplementary rates like that will lead to a worsening of the economic situation and to a worsening of unemployment.

Mr Kenneth Eastham (Manchester, Labour): High interest rates are not a new phenomenon. What effect will that have on businesses and households?

Mr Heseltine: Interest rates higher than we have been accustomed to, but the crisis of local government, which Labour is not facing, is a crisis which has not been faced by the world recession.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.

Mr Dover: Following the recent county council elections, Lancashire are levying an 18 per cent supplementary rate. What effect will that have on businesses and households?

Those ratepayers and the electorate will fully support any measures Mr Heseltine wants to take.

Mr Heseltine: Supplementary rates like that will lead to a worsening of the economic situation and to a worsening of unemployment.

Mr Kenneth Eastham (Manchester, Labour): High interest rates are not a new phenomenon. What effect will that have on businesses and households?

Mr Heseltine: Interest rates higher than we have been accustomed to, but the crisis of local government, which Labour is not facing, is a crisis which has not been faced by the world recession.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.

Mr Dover: Following the recent county council elections, Lancashire are levying an 18 per cent supplementary rate. What effect will that have on businesses and households?

Those ratepayers and the electorate will fully support any measures Mr Heseltine wants to take.

Mr Heseltine: Supplementary rates like that will lead to a worsening of the economic situation and to a worsening of unemployment.

Mr Kenneth Eastham (Manchester, Labour): High interest rates are not a new phenomenon. What effect will that have on businesses and households?

Mr Heseltine: Interest rates higher than we have been accustomed to, but the crisis of local government, which Labour is not facing, is a crisis which has not been faced by the world recession.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.

Mr Dover: Following the recent county council elections, Lancashire are levying an 18 per cent supplementary rate. What effect will that have on businesses and households?

derused public land more than one acre in extent had been published in 27 out of the 33 areas so far designated to have them. Two more registers, for Birmingham and Sandwell, would be published this Friday. About one third of the registered acreage was considered suitable for development.

Labour plans on mortgage tax relief

Mr Frank Allam, who is chairman of the Labour Party NEC housing group, stated that reports that the Labour Party would be recommending the phasing out of tax relief on mortgage interest were false.

Mr Allam (Salford, East, Lab) said that the Labour Party was in favour of granting mortgage interest relief at the basic rate but not allowing it up to 60 per cent for the very wealthy.

The matter was raised by Mr Robert McCrindle (Brentwood and Ongar, C) who asked the Secretary of State for the Environment what he thought of the suggestion that there should be a phasing out of tax relief on mortgage interest.

Mr Heseltine (Henley, C): I suppose that the ordinary detached observer of the scene would draw from the reports I have read in the morning's papers that the Labour Party is back in its traditional role of attacking private wealth and private houses.

After Mr Allam had intervened, Mr Heseltine commented: Could he tell us which Labour Party he is speaking for?

Mr Tony Benn (Richmond upon Thames, Twickenham, C): It would be right to review the present tax relief which is fixed by Mr Denis Healey when Chancellor of the Exchequer, as far back as 1974, at £25,000. The average price of houses in Greater London is £40,000 and the average price of houses in the rest of the country is £24,000.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.

Mr Dover: Following the recent county council elections, Lancashire are levying an 18 per cent supplementary rate. What effect will that have on businesses and households?

Those ratepayers and the electorate will fully support any measures Mr Heseltine wants to take.

Mr Heseltine: Supplementary rates like that will lead to a worsening of the economic situation and to a worsening of unemployment.

Mr Kenneth Eastham (Manchester, Labour): High interest rates are not a new phenomenon. What effect will that have on businesses and households?

Mr Heseltine: Interest rates higher than we have been accustomed to, but the crisis of local government, which Labour is not facing, is a crisis which has not been faced by the world recession.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.

Mr Dover: Following the recent county council elections, Lancashire are levying an 18 per cent supplementary rate. What effect will that have on businesses and households?

Those ratepayers and the electorate will fully support any measures Mr Heseltine wants to take.

Mr Heseltine: Supplementary rates like that will lead to a worsening of the economic situation and to a worsening of unemployment.

Mr Kenneth Eastham (Manchester, Labour): High interest rates are not a new phenomenon. What effect will that have on businesses and households?

Mr Heseltine: Interest rates higher than we have been accustomed to, but the crisis of local government, which Labour is not facing, is a crisis which has not been faced by the world recession.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.

Mr Dover: Following the recent county council elections, Lancashire are levying an 18 per cent supplementary rate. What effect will that have on businesses and households?

Those ratepayers and the electorate will fully support any measures Mr Heseltine wants to take.

Mr Heseltine: Supplementary rates like that will lead to a worsening of the economic situation and to a worsening of unemployment.

Mr Kenneth Eastham (Manchester, Labour): High interest rates are not a new phenomenon. What effect will that have on businesses and households?

Mr Heseltine: Interest rates higher than we have been accustomed to, but the crisis of local government, which Labour is not facing, is a crisis which has not been faced by the world recession.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.



McCrindle: Devastating.

They were: Manchester, Islington, Knowsley, Hackney, Southwark, Lambeth and Camden.

Mr Ralph Howell (North Norfolk, C): In Norfolk nearly 1,000 houses are empty, more than 600 in the city of Norwich alone. What action will be taken to ensure that these are let or sold?

Mr Heseltine: We have given local authorities powers to enable them to curtail the number of empty dwellings. I hope ratepayers and electors everywhere will see the maximum pressure on their authorities to make sure empty properties are let or otherwise occupied.

Mr Bruce Douglas-Mann (Merton, Mitcham and Morden, Lab): Two per cent of local authority dwellings are empty but 4 per cent are empty in the private sector. Of the 22,000 local authority dwellings empty for over a year 15,000, or 64 per cent, are empty because they are unlet.

Does he think the Government's policy of cutting local authority empty dwellings will be enough to help local authorities reduce empty dwellings?

Mr Heseltine: I do not accept that a local authority is justified in keeping a dwelling empty because it is awaiting repairs, given the enormous cost to the taxpayer of housing empty dwellings.

On houses empty in the private sector, I should be grateful for his support in rescinding the irresponsible commitment to repeal the Housing Act 1969.

approaching the end of rising unemployment.

The motion suggested that the Government's policies were crippling local authorities in the context of the current economic and political environment. The twin evils of inflation and unemployment had not been brought under control in the last Budget. Budget problems made this a crucial period as the resources available had nearly reached the limit.

The regional grant system might do some marginal good, but it did so at a cost. He must tell MPs who were complaining that their areas were being neglected that the Government was aware of the problem and was taking steps to deal with it.

Mr Vadey (Chesham, Lab) moved: "That this House commends the Government for pursuing a policy of concentrating resources on the regions, and for the policies which have reduced overall financial assistance to the regions, and for the policies which have reduced overall financial assistance to the regions."

He said the Government had said it was committed to a regional policy, but the Government was not doing enough to support the regions. He said the Government was not doing enough to support the regions.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.

Mr Dover: Following the recent county council elections, Lancashire are levying an 18 per cent supplementary rate. What effect will that have on businesses and households?

Those ratepayers and the electorate will fully support any measures Mr Heseltine wants to take.

Mr Heseltine: Supplementary rates like that will lead to a worsening of the economic situation and to a worsening of unemployment.

Mr Kenneth Eastham (Manchester, Labour): High interest rates are not a new phenomenon. What effect will that have on businesses and households?

Mr Heseltine: Interest rates higher than we have been accustomed to, but the crisis of local government, which Labour is not facing, is a crisis which has not been faced by the world recession.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.

Mr Dover: Following the recent county council elections, Lancashire are levying an 18 per cent supplementary rate. What effect will that have on businesses and households?

Those ratepayers and the electorate will fully support any measures Mr Heseltine wants to take.

Mr Heseltine: Supplementary rates like that will lead to a worsening of the economic situation and to a worsening of unemployment.

Mr Kenneth Eastham (Manchester, Labour): High interest rates are not a new phenomenon. What effect will that have on businesses and households?

Mr Heseltine: Interest rates higher than we have been accustomed to, but the crisis of local government, which Labour is not facing, is a crisis which has not been faced by the world recession.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.



Allam: False reports.

They were: Manchester, Islington, Knowsley, Hackney, Southwark, Lambeth and Camden.

Mr Ralph Howell (North Norfolk, C): In Norfolk nearly 1,000 houses are empty, more than 600 in the city of Norwich alone. What action will be taken to ensure that these are let or sold?

Mr Heseltine: We have given local authorities powers to enable them to curtail the number of empty dwellings. I hope ratepayers and electors everywhere will see the maximum pressure on their authorities to make sure empty properties are let or otherwise occupied.

Mr Bruce Douglas-Mann (Merton, Mitcham and Morden, Lab): Two per cent of local authority dwellings are empty but 4 per cent are empty in the private sector. Of the 22,000 local authority dwellings empty for over a year 15,000, or 64 per cent, are empty because they are unlet.

Does he think the Government's policy of cutting local authority empty dwellings will be enough to help local authorities reduce empty dwellings?

Mr Heseltine: I do not accept that a local authority is justified in keeping a dwelling empty because it is awaiting repairs, given the enormous cost to the taxpayer of housing empty dwellings.

On houses empty in the private sector, I should be grateful for his support in rescinding the irresponsible commitment to repeal the Housing Act 1969.

approaching the end of rising unemployment.

The motion suggested that the Government's policies were crippling local authorities in the context of the current economic and political environment. The twin evils of inflation and unemployment had not been brought under control in the last Budget. Budget problems made this a crucial period as the resources available had nearly reached the limit.

The regional grant system might do some marginal good, but it did so at a cost. He must tell MPs who were complaining that their areas were being neglected that the Government was aware of the problem and was taking steps to deal with it.

Mr Vadey (Chesham, Lab) moved: "That this House commends the Government for pursuing a policy of concentrating resources on the regions, and for the policies which have reduced overall financial assistance to the regions, and for the policies which have reduced overall financial assistance to the regions."

He said the Government had said it was committed to a regional policy, but the Government was not doing enough to support the regions. He said the Government was not doing enough to support the regions.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.

Mr Dover: Following the recent county council elections, Lancashire are levying an 18 per cent supplementary rate. What effect will that have on businesses and households?

Those ratepayers and the electorate will fully support any measures Mr Heseltine wants to take.

Mr Heseltine: Supplementary rates like that will lead to a worsening of the economic situation and to a worsening of unemployment.

Mr Kenneth Eastham (Manchester, Labour): High interest rates are not a new phenomenon. What effect will that have on businesses and households?

Mr Heseltine: Interest rates higher than we have been accustomed to, but the crisis of local government, which Labour is not facing, is a crisis which has not been faced by the world recession.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.

Mr Dover: Following the recent county council elections, Lancashire are levying an 18 per cent supplementary rate. What effect will that have on businesses and households?

Those ratepayers and the electorate will fully support any measures Mr Heseltine wants to take.

Mr Heseltine: Supplementary rates like that will lead to a worsening of the economic situation and to a worsening of unemployment.

Mr Kenneth Eastham (Manchester, Labour): High interest rates are not a new phenomenon. What effect will that have on businesses and households?

Mr Heseltine: Interest rates higher than we have been accustomed to, but the crisis of local government, which Labour is not facing, is a crisis which has not been faced by the world recession.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Mr Heseltine (Henley, C): I am suggesting further measures, including the possibility of legislation next session, to bring home to individual authorities and the electorate the consequences of high spending policies.

EUROPE

The 10 members states of the European Community as well as the majority of the international community were convinced that complete withdrawal of Soviet troops from Afghanistan was an essential element in any solution to the conflict in that country.

Mr Secretary of State for Foreign and Commonwealth Affairs, said in his inaugural speech as President of the EEC Council of Ministers in Strasbourg.

He said he had made it plain to Mr Gromyko, the Russian foreign minister, in Moscow on Monday that his proposal, which had already received an encouraging degree of support in the international community, remained on the table.

The proposal provided the best hope of a negotiated settlement which was wanted by the whole international community and which the Soviet Union had said it wanted.

It was obvious that a Soviet refusal to negotiate on Afghanistan would be a major setback to the normal relations and prejudiced efforts to reach agreement on other matters.

This was a serious proposal and he hoped on reflection the Soviet Government would react in a constructive manner.

Referring to the Middle East, he said peace and persistent work had enhanced the reputation of European diplomacy, and he hoped the British Government would contribute to make to an eventual settlement of the problems in that troubled, but important area.

If Britain was to perform its task in the presidency effectively it would need the support of the parliament and the public. Part of Parliament's role was to discuss and criticise, but they should be regarded as partners in the joint enterprise of making a success of Europe.

The British Government would establish an effective dialogue rather than an exercise in mutual frustration. Mr Nigel Lawson, the Chancellor of the Exchequer, would participate in a parliamentary delegation to meet the Council on July 22, the day after the opening of the summit.

The first factor which acted as a constraint and stimulus to decision-making was that the EEC was a small group of states with a limited number of members.

The second factor was that of enlargement. It would not be appropriate for the EEC to become a large organisation.

The third factor was that of the need to adapt to the changing world. The EEC had to be able to deal with the challenges of the future.

Mr Heseltine: I am being pressed to consider seriously whether it should put a ceiling on local authority rates increases, Mr Heseltine, Secretary of State for the Environment, said in explaining that he was being pressed to take that sort of measure.

Part four of THE RETURN OF THE AYATOLLAH: Mohamed Heikal describes the refashioning of Iran on Islamic principles

The reluctant 'saint' who rules a state

The last flicker of imperial rule in Iran had been when General Gharabaghi implored the new prime minister, Khomeini's nominee Mehdi Bazargan, to send somebody to take over the army from him. But in fact there was then no army to be taken over.

Nor was it only the army which had evaporated; the whole apparatus of government had ceased to exist. Every element in the life of the country had come to a stop, waiting to know what the Imam wished done with it.

Khomeini now exercised an authority far more absolute than that of any shah. The wealth and prestige of the country were at his disposal. Even those who had for long and independently opposed the Shah — the old politicians of the National Front and other groupings, the left, including the communists; the bazaar — now recognized their master. Internationally Khomeini was the new and incomparable hero for every revolutionary movement.

Clearly a completely new chapter in Iran's history was opening. But what was the Imam going to write in it?

When I saw Khomeini in Paris at the end of 1978 I told him I had no doubt of his ability to demolish the old order, but I was not so confident about his ability to build a new one.

"If I may use military terms," I said, "you have shown that you command very effective artillery, but after your guns have done their work you need infantry to occupy the positions captured. Where are your infantry? In a revolution the cadres, the bureaucrats and technocrats who have to carry out the programmes which the revolutionaries have been fighting for. Of course some of the old bureaucrats and technicians in Iran were corrupt and incompetent, but you will need the services of the good ones among them."

Khomeini's answer was that Iran would not be deprived of the services of good Moslem technicians who had been trained in the West and who could come home and carry out programmes of modernization on the basis of Islamic principles.

When I pressed him to explain what the "Islamic principles" governing the new government amounted to, he said "liberty and justice". I said I could see no conflict between us there.

But was his explanation sufficient? In the first days of the Revolution, many people, including politicians like Bazargan and Sanjabi, described Khomeini quite simply as "a saint". They saw him as a man of God who had thrust aside the forces of darkness, and who had thereby left the stage free for men of goodwill (like themselves) to take over the reins of government.

These people believed that what the saint would do after his victory would be to spend a few days in Tehran and then go back to Qom, once again collect his *hawza* around him, and continue to instruct his disciples in religion as if all that had happened since 1963 could be forgotten.

At first, no wish to rule

This was, indeed, Khomeini's own intention. Like so many military rulers who have seized power in the modern world and have proclaimed their intention to go back to barracks as soon as possible, Khomeini genuinely had no wish to rule. But, like so many of the soldiers, he found it was easier to wish for retirement to private life than to achieve it.

The fact is that the success of the Revolution had overthrown old focuses of authority without setting up new ones, apart from Khomeini himself. Any regime, if it is to survive, must have behind it some class or sectional interest; but in the early days of the Revolution in Tehran this did not exist. People like Bazargan (now seventy-five years old), Sanjabi and the others were leftovers from the Mossadeq generation. In spite of owing their present positions to the Ayatollah, they were isolated individuals, with no power base or organized following in the country.

If Khomeini understood this, it did not worry him. It was his firm belief that the first duty of the Revolution was to destroy everything connected with the Shah's regime; and in this he was proving remarkably successful.

The army had to be destroyed, not only because it was the creation of the Shah but because it represented the only real poten-

tial threat to the Revolution; both the exiled Shah and the Americans had their eye on it as the nucleus for a counter-revolution. Similarly the police had to be disbanded because they too had been instruments of the Shah's tyranny. The worst among them, from Savak, must suffer exemplary Islamic punishment (*qassas*) for their misdeeds.

When I spoke to him in Qom, Khomeini showed a Utopian belief in a society's ability to live in harmony without compulsion. "Certainly," he told me, "I could reimpose law and order on the country tomorrow, but this could only be done by means of the army and a new Savak-like police. Am I to resort to suppression, like the Shah?"

"Our people have been in prison for thirty-five years; no government is going to put them in prison again. They must be given a chance to express themselves as they wish, even if it means a certain degree of chaos."

Bureaucracy to be liquidated

The army and the police were not the only casualties. All the old bureaucracy had to be liquidated too. I remember Qotbzadeh saying to me one day in his office in the Ministry of Foreign Affairs: "The real enemy I have to deal with is not outside — it is inside my ministry. The civil servants have been doing their best to frustrate my efforts and to carry on just as they did in the days of the Shah. I have to get rid of two levels of officials and make use of the third layer."

The intellectuals were not trusted, and in any case they had no practical proposals for dealing with current problems. In these early days, when Khomeini was accessible to all, he found himself daily bombarded with grandiose plans drawn up by the intellectuals on every conceivable subject, which had little or no relevance to the country's needs.

On the other hand, there were many technicians, who had been educated abroad and who had remained abroad to avoid working for a regime they detested, and officials from international agencies such as the United Nations and the World Bank, who had, as Khomeini conceded, much to offer. But most of these, having returned home eager to see if the Revolution could make use of their services, sadly came to the conclusion that the time for them was not yet.

The bourgeoisie, who had for the most part abandoned the Shah in his last years, now found themselves in a world for which they could feel no sympathy and which showed no sympathy for them. There was chaos on the streets and in the markets; trade and credit had come to a halt; there seemed nothing for them to do or to hope for.

So the vacuum was there, and though a Deputy Prime Minister with responsibility for Revolutionary Affairs, Ibrahim Yazdi, had been appointed, who was supposed to coordinate and reconcile all the forces behind the Revolution, this proved no more than window-dressing. There was only one authority in the country.

As Yazdi himself — said to me, the Revolution consisted of one man, the Imam, and the millions of his followers, with nothing in between.

The result was that when, after a few weeks, Khomeini did quit Tehran and return to his home in Qom, he did not go as a private citizen, or as a saint, or as a teacher about to reassemble his *hawza* around him. The problems he was leaving behind him were too big for any person or any group of people to cope with, so all Tehran went to Qom with him.

In fact if not in name, Khomeini remained the government. In vain he protested that it was not his wish to be a ruler. But if he was not to be a ruler or a private citizen, what was he to be? The answer was of his own choosing. He would be an arbiter.

There was plenty of scope for arbitration. The new forces were divided. There was conflict between the mullahs and the intellectuals, and between the insiders and the outsiders. The intellectuals — men like Bani-Sadr, Yazdi, Shemran and Qotbzadeh — were not "seculars", as they were sometimes wrongly labelled, for they believed that the Revolution must have an Islamic character, but they had had a western education and naturally saw things differently from the mullahs.

Then, as in so many revolutions, there was a rivalry between those who



The Ayatollah, with his guards: The Revolution created no new 'focuses of authority' for those it swept away — save Khomeini himself

had remained all the time in Iran, facing the tortures of Savak and the bullets of the army, and those who had organized the revolution abroad and returned in triumph with the Imam. No one faction was strong enough to dominate the others.

Some of the mullahs had strong local support, but none had truly national following. Many of the intellectuals returning from abroad did not even own a house, let alone a power base. Bani-Sadr, for example, was still a lodger in his sister's house in Tehran when he was elected president, his only personal possessions there amounting to a few books he had brought back with him.

It seemed to Khomeini much better that the differences, often acute, between these various groupings should come out into the open while he was still alive and, thanks to his unique

prestige, able to resolve them, rather than that they should fester and break out after his death — and he was feeling that his end could not be far off.

So he set about creating a balance. As in the American constitution there are checks and balances between the President, Congress, and the judiciary, so in revolutionary Iran there was to be a balance between the President and the Majlis (the Parliament), between the governmental machine and the mullahs.

Khomeini's nominee for the presidency was his loyal supporter, the head of his Paris Komitay and organizer of his Paris sojourn, Bani-Sadr. Not that he received Khomeini's endorsement in so many words; but few had much doubt about whom they were expected to vote for in the presidential election.

On one occasion before the election, I had been

invited to dine with Bani-Sadr at the house of his sister and brother-in-law. He was late in turning up, having been delayed by business at the Revolutionary Council, and I said I would go away and come back later.

As I was leaving I met Khomeini's grandson Hussein coming in. He greeted me: "So you are going to have dinner with the first President of the Islamic Republic?" I told him he had just given me an important item of news, and though he tried to pretend that he had only been joking it was clear whom Khomeini was going to vote for. Bani-Sadr duly got 76 per cent of the votes, and if Khomeini's wishes had been more explicit he would probably have got 100 per cent.

If a representative of the laity was to enjoy the presidency, the mullahs were to have their reward in the Majlis. When a general

election was held in March and May 1980, the Islamic Republican Party, led by Ayatollah Beheshti, was duly successful, gaining a majority of the 270 seats.

Pleas from the old guard

At the same time, to give a more formal sanction to his own position, Khomeini decided that the 1906 constitution should be amplified by an amendment laying down that when a *faqih* (such as himself) was available, he should be the supreme authority in the state, but that in the absence of such a person this authority should rest in a committee, its members acting as trustees for the *faqih*.

In another move aimed at eliminating any threat to his authority, Khomeini disposed of the only other divine who enjoyed a large personal following, Ayatol-

lah Shari'atmadari. It was known that the Americans had been hoping to make use of Shari'atmadari. Khomeini visited him, showed him documents which had been found in the imperial archives, and in half an hour it was all over. Shari'atmadari disappeared from the scene.

But the delicate balancing act envisaged by the revolutionary arbiter did not work. What emerged was not a balance, but deadlock.

Bazargan, Khomeini's first choice for the premiership, was its first victim. He resigned in November 1979, and when I saw him soon afterwards and asked what had prompted his resignation, his answer consisted simply of two Arabic words — words which, like so many others, have become part of the Persian vocabulary: *mudakhalat* (interference) and *muzahamat* (crowding).

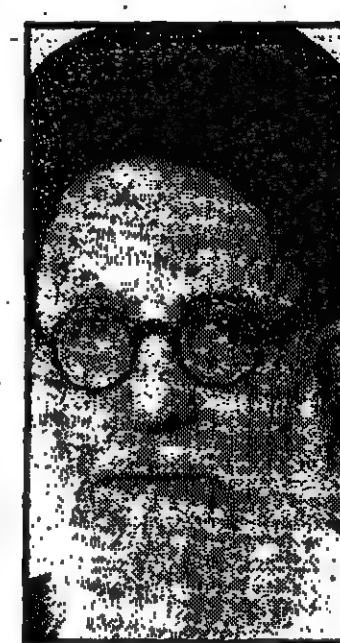
Bazargan always maintained that if he had been given five years he could have built up a strong party. The same sort of plea was heard from other old-guard politicians. But in a hurricane, who talks of five years of grace — or even of one?

As president, Bani-Sadr found that he was unable to appoint ministers of his choice, even though he was prepared to settle for control over only a few key posts, such as foreign affairs and economics. The mullahs' majority in the Majlis blocked all his nominations. In the end he had to accept as prime minister a man forced upon him by the mullahs, Mohammed Ali Rajai, whom he made no secret of thinking was totally unfitted for the job.

Another element in the equation which has emerged to make a balance between the revolutionary forces even harder to maintain is the students. They are particularly interesting because it is probably from among them that future political groupings and political leaders will emerge. They are, as I can testify, very idealistic, proud of having captured the attention of the world, but astonishingly naive about many things. They really seemed to think, when I spoke to them, that the whole of the rest of the Islamic world was looking to them for leadership.

Because of the intensity of their Islamic beliefs they have become allies of the majority of the Majlis, thus producing the paradox of mullahs and universities uniting against the so-called seculars, who might in any normal conditions be expected to provide the students with their natural leadership.

Another complication has been Khomeini's poor health. He is nearly eighty, and, after his return to Qom



Ayatollah Ummeh Shari'atmadari sacked by Khomeini

and more than one heart attack, the energy he showed in exile weakened. It became impossible for him to concentrate for more than twenty minutes at a time.

Although all important questions continue to come to him for decision, his reactions are instinctive rather than thought out. He reads no reports. In the early days after his return to Qom he used to complain that every day he was being sent three reports — one from the Foreign Ministry about foreign security, one about internal affairs, and one on economic matters. He begged the officials in Tehran to stop sending them: "I never read them," he said.

In Qom there is no formal method of conducting business. The direct, personal relationship which Khomeini has maintained with the masses has rendered abortive all attempts at creating some sort of real political life in Iran.

Every morning his supporters come to him from all over Iran, in buses, taxis, any way they can manage. He greets them from the roof of his house, and has a brief dialogue with them.

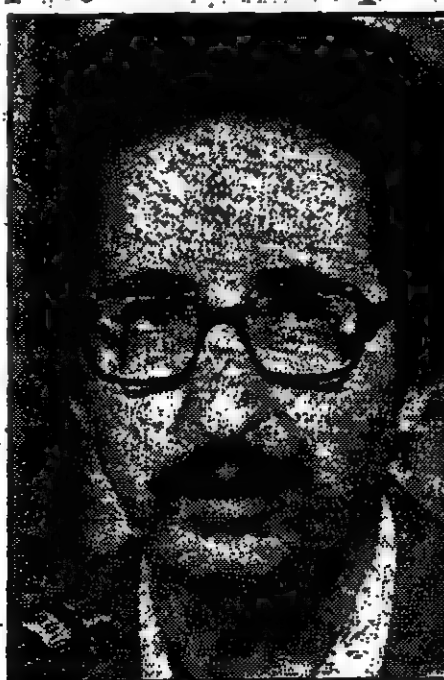
It would be too much to expect that all this adulation has had no effect — Khomeini is but human, after all — and one result of it has been to persuade him that the more formal machinery of government is relatively unimportant. Institutions, he thinks, can take their time, for what are they compared with the fact that he and the masses are in constant contact and understand each other? He is the Imam, and the Imam has returned to his people.

© 1981 Mohamed Heikal
The Return of the Ayatollah, from which these extracts are taken, is to be published by André Deutsch in November.

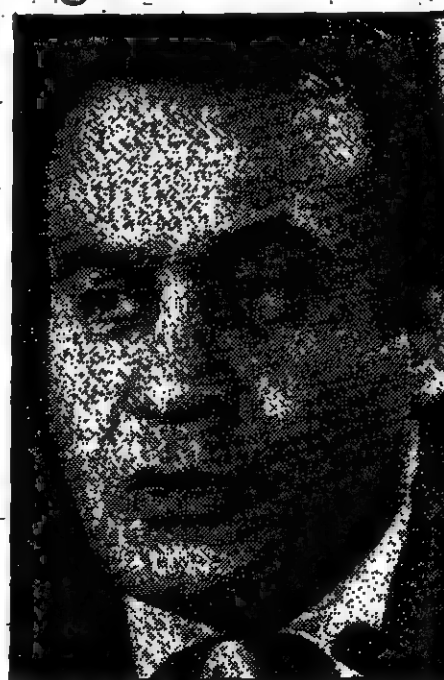
Leading players in the power games



Ibrahim Yazdi, deputy prime minister: Illusion of power



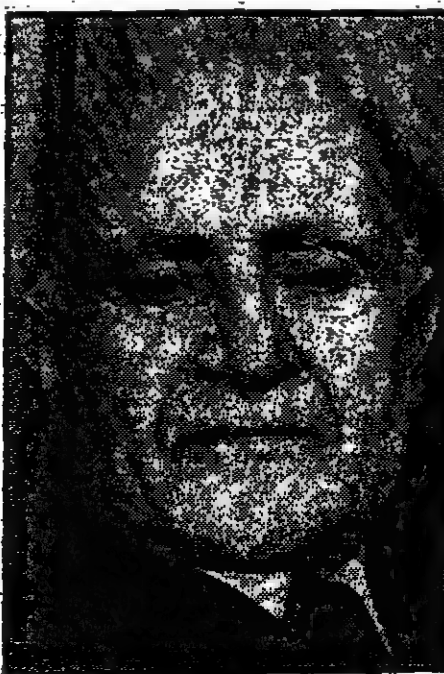
Bani-Sadr, Western-educated president: Out of step with Mullahs



Sadegh Qotbzadeh, foreign affairs minister: Doubt with internal enemies



Mohammad Ali Rajai, prime minister: Unsuitable, according to Bani-Sadr



Dr. Mehdi Bazargan, former prime minister: Victim of deadlock



Khomeini, Supreme Leader: No power base

Tomorrow:
Iran
after the Ayatollah

Theatre

Jacobean romp in a less characterful environment

Eastward Ho!

Mermaid

The pleasure of once again heading a notice with the above address is somewhat qualified by seeing what they have done to the place during the last three years.

Those who remember Sir Bernard Miles's playhouse as a proud, free-standing building will now have to seek it out in the bowels of the Tower Hamlets office block. The ample foyer has gone, and in its place there is more space on the auditorium level, including a long exhibition gallery suggesting the companionway of a ship. I am not convinced by the new arrangement. The Mermaid used to be a combined playhouse and pub. Now it is a theatre with two interval bars; the atmosphere is that of a long-established restaurant that has fallen into the hands of a chain of eateries.

The auditorium has been enlarged, with the result that it has lost its "one room" character. But the good news is that there is now a separate studio for the Mole Club, and the main stage has been extended to truly majestic dimensions, offering a noble instrument for the kind of virtuosic classicism to which this theatre has always aspired.

So far this remains no more than a promise. The opening show, a bungled musical adaptation of Jonson, Chapman and Marston's comedy, is more the kind of Jacobean festivity you would expect from the English department of a dinky football college in Mississippi. The line-up of contributors is impressive: lyrics by Howard Schuman, music by Nick Bicat and a company including Richard O'Brien and Clive Merrison. But from the moment the groups of citizens take up wazwork groupings on the various levels of Kenneth Medford's weathered timber setting, and during the character and situations to come in a number called "Humours of 1605" of which barely one word is audible, it is clear that the comedy is not going to take off. Making the text accessible, feeding modern asides into the

Philip Sayer (left), Vivienne Ross, Anita Dobson and Richard O'Brien in *Eastward Ho!*

dialogue, carving out pretexts for songs (some of which even help the action along), but nobody has given any serious attention to the narrative. The set, for instance, does nothing to suggest a goldsmith's shop, a lawyer's office, a prison, or any of the other locations, except for the mudflats of Cuckolds' Haven where the bedraggled runaways are washed ashore in their frustrated attempt to escape to Virginia. All it really represents is Puddle Dock itself.

Performances, similarly, are so busy telegraphing generalities of character that no individual character gets a chance to take shape, much less any coherent account of the fortunes of the two apprentices. You have to be very quick off the mark to spot why Security, the prodigal apprentice Quicksilver, is in his pursuit of a nightingale. And once the information has sunk in, there is no fun in watching how his schemes develop and misfire. No sooner have Jonson and Clive got into their stride with a scene of Jacobean coney-catching than along come Mr

Schuman and Mr Bicat to puncture it with references to Barbara Cartland and Fred Astaire, and off-stage Red Indian drumming. A curious change begins to overtake the show after the fleeing males struggle ashore at the will of Dogs. Richard O'Brien's Quicksilver, until then enmeshed in wig and satin trunks, emerges from the ooze in studded black leather; and, in so far as the production does them come to life, it is as the O'Brien cast into prison after the failure of his schemes. O'Brien plays his trump card by heading a religious revival.

The virtuous Puritan citizens roll up to view this curiosity, to be confronted by O'Brien, arising sepulchral from a trap, bald and clad in sackcloth, to ascend to the pinnacle of the set and engage in bird and decidedly ambiguous self-flagellation. You would not expect the Rocky Horror Show to be a match for Jonson, but it is better than nothing. Otherwise, the show will linger in the memory as a limp sequel to the Mermaid's first musical, better entitled *Lock Up Your Husbands*.

Irving Wardle

Matching gifts from the gods

Androcles and the Lion

Regent's Park

Since Parliament cannot legislate the weather, and the Arts Council will not subsidize the Open Air Theatre in Regent's Park any longer, it seems that the company's future is in the hands of the gods. It certainly would be a pity if the poor ticket sales of the past three summers as a result of rain were to be a result of rain.

For instance, last summer the company tried something a little different with Bernard Shaw's *Androcles and the Lion*. The story of the Christian who pulled the thorn from a lion's paw and then met the lion in a friendly embrace when the Romans were expecting him to be devoured proved popular enough to bring about a revival this year, and the combination of good weather and good

reputation nearly filled the amphitheatre on the opening night. The pity is that the production is much less alive this season.

Now that might not be the fault of Ian Talbot's direction, although a crucial change in the settings and some undercasting among the actors could be his choices. There is, however, the likelihood that the abrupt withdrawal of funds by the Arts Council created problems in the programming and that even the generous gift of cash from the impresario Peter Saunders came too late to permit real success, even with the matching gift of this week's sunshine.

The production is still a playful idea, beginning in a normal enough fashion on the grassy stage itself with the meeting between Androcles and the lion, then on to the arrival of Christian prisoners on their way to the coliseum to amuse Caesar with their deaths. But last year the play continued as an extension of the interval, with spectators sipping their mulled wine in the bar area

while the Christians were tied to trees nearby, and the sly identification of playgoers with Romans was introduced.

That is lost this year, with the play continuing first in the car park and then returning in the theatre, but without imperious. There are decent performances, from Bill Boffery as a centurion, Gabrielle Drake as a clever doubling Christian and from Peter Spraggan as the violent and repentant Ferrovius, and many lines still ring with wit, but there is much less characterization in general, perhaps lost in the movement.

My doubts about the communal hymn-singing and Shaw's intentions remain, but the extra movement clearly provides less temptation for participation, and many less people were singing this year. Still, it is as pleasant a place to see a play on a good evening as Britain provides and it deserves to have its next year assured. Since there are always a few 747s overcast, perhaps Boeing could underwrite it now.

Ned Chaillet

Dance

Desirable filling

Ballet Stars of America

Sadler's Wells

If the American dancers at Sadler's Wells have a ha'porth of sense, they can redeem their season after its bad beginning. All that is needed is to put Tudor's *Sunflowers*, the one good work from their opening bill, between the first and last thirds of Tuesday night's second programme. The result will not be great art, but it will be an entertaining show which they could play for the rest of the week.

One advantage would be that it would show the performers at their best, which is not when they are out to prove themselves as stars but simply dancing as a group of friends taking pleasure in their work.

A consequence of my proposal would be the loss of Tuesday night's centrepiece, in odd combination, and how better. Why anyone should want to turn an O'Neill play into dance, I cannot imagine; simplifying the plot of this one seems to have given it Dutch disease. Sadler's Wells' production is professional, as always, and the three dancers years or grope solemnly, but the result is boring, redeemed only by Alun Hoddinott's music, an agitated quinter for strings, flute and clarinet. Redoubting that ballet, Martine van Hamel would still have three roles: all taut numbers, all well contrasted. She might try the effect of a little less earnestness

in her otherwise well-danced *Dying Swan*. She brings an amusingly flippant touch to the closing romp by Michael Kessler, and Ballantine's *Sylvia pas de deux* allows her and Kevin McKenzie to show a little bravura.

Lise Houlton and Gregory Osbornos show wit and a nice sharp clarity of detail in *Casual Moments*, a sexy and amusing duet for a self-satisfied man and provocative woman. It is the first work by Choo San Goh to be seen in London, and, although slight and occasionally over-ingenious, leaves the wish to see more. He finds some unusual movement and makes unexpected but skilled use of music by Lutoslawski for piano and clarinet.

Christina Houlton brings real Broadway razzmatazz to a solo from Bob Fosse's overrated *Dancin'*. Kristine Elliott and Osbornos dance attractively in a duet by Van Hamel to a Beethoven trio; what a lot of pretty steps she uses, although in odd combinations, and how unusual to see a classical dancer exemplifying the Cage-Cunningham principle that music and choreography should have no relationship with each other.

Christina Houlton's *Passaggiando*, to Haydn music for solo cello and strings, was having its premiere; perhaps nervousness made him dance poorly himself, but Kristine Elliott, Sylvia Kinal and McKenzie's programme, incorrectly listed (Osborne) presented the pleasant, although somewhat ambivalent and inconclusive, dances with pleasing flair.

John Percival

Concert

London Sinfonietta

Queen Elizabeth Hall

The breezy spirit of "Armistice Music" blows with irresistible good cheer through the London Sinfonietta's first *Kammermusik* which on Tuesday closed the series of concerts devoted to his works of that name. "1921: Lively" is the subtitle of the finale, which scurries furiously through backstreets lined with dancehalls and nightclubs from which here an accordion, there a foxtrox is heard, eventually settling into a regular, sedate, lilted by a deafening police siren.

What a bright spark young Hindemith was, and with a really interesting, adventurous mind. The first movement opens with delicate, swirling, and rather Spanish dance-rhythms, the *Armistice* mood at its most irresponsible, you might think, except that, like the finale, the music is crafted with a brilliant, imaginative ear. The second movement is more serious in cast of mind, echoes of Busoni rubbing shoulders with forecasts of later Kurt Weill, a sturdy corporate and a sturdy corporate sound from the band of a dozen players. The pastoral musings of woodwind in the third movement also must have sounded new and beguiling in 1921, to anybody who had not

yet heard *The Soldier's Tale* by Stravinsky.

Given a performance as smartly styled and inspiring as this one under David Atherton, Hindemith's first *Kammermusik* deserves to become a regular showpiece for the London Sinfonietta. Atherton has already made Schoenberg's first chamber symphony.

The first half of the concert had brought the second and third works in this series, the piano concerto and a cello concerto, crisply played by Paul Crossley, already inhabits the blameless neo-baroque territory that Hindemith was to make his own. Ralph Kirshbaum was the assured, big-toned cellist in the third work, a more muscular, contentious piece.

A new work has figured in each of these programmes. This time it was *Wort und Sache* by Morricone, by Jonathan Lloyd, who seems to have just such a questioning, eclectic mind and ear as the Hindemith of 1921. Lloyd's piano, for medium-sized chamber orchestra, is a series of meditations on a bluesy song of his, played on the piano while the conductor (Oliver Knussen, calmly authoritative) takes his place. It has recurrent motives and improvised interludes, ample variety of pace and mood, before finally settling into cool jazz dialogue.

William Mann

Soul music

Randy Crawford

Hammersmith Odeon

Although her flustered patter made it plain that she was feeling under the weather, Randy Crawford gave a performance on Tuesday night which provided further confirmation of her ascent to the ranks of the genuinely great female soul singers.

In an overcrowded field of aspirants, she has the gift of evoking her predecessors while achieving a wholly convincing originality. Hints of the bitter sexuality of Dinah Washington, the ethereal girliness of Minnie Riperton and the interpretative intelligence of Carol Stenson are moulded into a sound and style which are completely her own.

Interestingly, there is almost no trace whatsoever of her professed idol, Aretha Franklin; in fact she is one of the few gospel-reared singers of her generation to avoid the easy option of spurious raucousness, and she shows this in her unusual willingness to sing half a dozen consecutive lines

without raising her voice. This makes her the ideal interpreter of such well-crafted songs as Tony Joe White's "Rainy Night in Georgia" and Percy Mayfield's "River's Invitation"; the latter, a suicidal blues, also provides her capable of stepping outside her normal sunny character.

"Rainy Night in Georgia", a hit for Brook Benton in 1970, comes from her new album, *Secret Combination*; so does her fine version of Baby Washington's 1963 tune "That's How Heartaches are Made", and the excellence of this pair prompted the thought that she is capable of tackling any item from the classic soul repertoire. Perhaps this might provide a cue for some future project.

The only danger comes, I think, in the lightweight nature of some of the newer songs which she chooses. These veer towards that brand of frothy Hollywood soft-soul in which glossy arrangements distract attention from clichéd melodies, lyrics and harmonic movements. Given sound advice in this area, her lasting eminence seems assured.

Richard Williams

"Already I have a strong sense of time running out, and it's a question of deciding the priorities."

Rep at a time when their resources were somewhat stretched by having also to service Stratford, and since then he has only once had a period of more than six weeks out of work.

"If my blood wasn't already frozen at the prospect of the first night this week I think I'd go into still deeper shock at the realization that because of the repertoire system, which is new to me, we often only play two nights a week and in August and September there are whole fortnights without performance. So what I have to look forward to until December is an entire series of first nights in the same play."

During that time Eddington will also be taping a new ITV half-hour sitcom series with Nanette Newman, and then next year he goes back to the BBC for another batch of *Yes* Minster.

"Already, though, I have a strong sense of time running out, and it's a question of deciding the priorities. I know I'm never going to be a film star, since I've made only two wide-screen appearances and one of those was in the first-ever airline disaster movie when I had to say to Lana Morris as I crashed: 'We should have gone down.' The crew reckoned they should have gone that way too. I should have gone

Sheridan Morley

London debuts

Idiomatic tension

Formed in 1972, the Eder Quartet are a mature group above all with regard to the naturalness of their ensemble playing and the depth of their interpretations. Vital rhythm and a smooth, glowing collective sound which often go together but were both prominent in Haydn's op 76 no 4, Bartók's no 4, also, received a beautifully idiomatic performance, tense yet flowing, at one harsh and deft. György Kurtág's no 1, dating from 1959, was an ingeniously put together sequence of more or less violent post-Webernian gestures, immaculately played. A Hungarian accent, even an affinity with Bartók, gradually became evident, however.

Kathleen Winkler's account of the Mozart Violin Sonata K305 was vigorous and balanced with the qualities of each variation in the Andante clearly delineated. Richard Strauss's Sonata op 18 is an unmemorable work yet it moves as confidently as the Mozart. The performance confirmed Miss Winkler's expertise in tone and ease of execution, and both she and her pianist, Deborah Berman, responded well to the music's large scale. Beethoven's Sonata op 12 no 1 also had a thoroughly considered interpretation, and Wieniawski's *Legende* op 17 was done with due virtuosity and dramatic conviction. The Sarasate Zigeunerweisen op 20, also, were thrown off with impressive fire and elegance.

There seems little point in reviving Karl Goldmark's piano music, a large selection of which began Erika Lux's recital. Offering nothing better than nineteenth-century academicism, these pieces were a disappointment in comparison with his charming *Russian Wedding Symphony*. Nor did a Dohnányi group make a significant musical impression. In

them all, however, Miss Lux displayed the sort of virtuosity associated with the best products of the Budapest Liszt Academy. Her tone was particularly beautiful in *Sonetto 123 del Petrarca*, while other Liszt items such as "Un Sospiro" and "La Leggeria" were projected with impetuous abandon, as if to the manner born.

Christopher Axworthy and Mira Henders offered a generally stolid programme, and such comment is not intended as a confirmation of the disadvantages traditionally associated with four hands at one piano. They were fluent in Schubert's *Lebensstunde* D672, and in late work, yet their interpretation was impersonal. Brahms's Schumann Variations op 23 were the same, being accomplished, but without specific identity in Schubert's *Fantasy* D940 likewise, the magical first theme was too literal, and although Ravel's translucent thoughts had an effect and in *Ma Mère l'Oye* they at least played more lightly, the atmosphere still was businesslike, for these fairytale evocations.

One never anticipated Varèse's "Density 21.5" and Dohnányi's *Passeggiata* sounding as they did, yet so solidly and homogenizingly medium. Nor was there much to distinguish Jenev's *Soliloquium*, from Lang's *Dramma Breve*. Though embracing a little variety of emphasis, the noticeable long pieces like the Dohnányi, István Micsis is an excellent performer; but it did seem presumptuous to fill most of an evening with an uncompromising flute's pale tones. To close each half he was joined by Erika Lux at the piano, but the sound and fury of one of their duos, Hellewell's *Metamorphosis*, appeared to signify nothing whatever.

Max Harrison

Galleries

Hidden masterpieces on show at last

Rodin

National Gallery Washington, DC

This splendid exhibition is a revelation. Mention Rodin, and one thinks of monumental bronze *Burgers of Calais*, *Balzac*, *The Gates of Hell*, of which *The Kiss* and *The Thinker* are parts. But there is a great store of other treasures in the attic and outhouses of the two branches of the Musée Rodin, in the Hôtel Biron in Paris, and in Meudon. There are more than 4,000 drawings, innumerable plaster models of works that were never cast in bronze, photographs of Rodin himself and his work in progress, some of them heavily annotated by the sculptor to guide his hand later.

The Washington exhibition, put together by a large team of experts under the direction of Ellen E. Eise, of Stanford, includes great numbers of these hidden masterpieces. The bronzes are, of course, including a new casting of *The Gates of Hell* and a fine-looking man he was. More important are the photographs he commissioned to show off his work. Carefully lit and posed, they show how he wanted his work to be seen.

Then there is a large selection of Rodin's marbles. Shiny white and sentimental, nineteenth-century sculpture, in a sense, Rodin was a pioneer for two generations. Professor Eise wants to correct what he considers an error in our education, to force us to look at Rodin's work as a sculptor, to admire them, to reject the twentieth-century notion that works of art should eschew emotion.

Rodin worked as much in



Torso of Adele (bronze, plaster dated 1882)

There are many of both series in the exhibition.

There is a series of photographs of Rodin in his studio, and a fine-looking man he was. More important are the photographs he commissioned to show off his work. Carefully lit and posed, they show how he wanted his work to be seen.

Then there is a large selection of Rodin's marbles. Shiny white and sentimental, nineteenth-century sculpture, in a sense, Rodin was a pioneer for two generations. Professor Eise wants to correct what he considers an error in our education, to force us to look at Rodin's work as a sculptor, to admire them, to reject the twentieth-century notion that works of art should eschew emotion.

Rodin worked as much in

plaster as with clay, and thousands of his plaster works are preserved, inaccessible in the Musée Rodin. They include many works of great beauty that have never been exhibited before, many of them early states of his most famous sculptures. It is possible to see how early in his career he started carving fragments of bodies, a practice that was one of his chief contributions to the sculptors who followed him.

The exhibition ends with a demonstration of that point, a room full of works by others, including Picasso, Brancusi, and Rodin's work. The exhibition was laid out, with spectacular success, by Gaillard Ravelin, Mark Leichner and Elroy Queiroz.

That is the end; the beginning of the exhibition makes the

opposite point, in a re-creation of a sculpture salon of the 1870s. It is a very handsome room, filled with shimmering marble and bronze statues, which the three works by Rodin blaze forth, with genius, indeed, but also part of the same tradition.

The new east building of the Washington National Gallery opened three years ago, it is filled with Rodin's works, which will be on show until the end of January, 1982. There is a magnificent catalogue, edited by Professor Eise, containing scholarly essays on every aspect of Rodin's work. The exhibition was laid out, with spectacular success, by Gaillard Ravelin, Mark Leichner and Elroy Queiroz.

Patrick Brogan

Interview: Paul Eddington

A test of the big match temperament

An air of considerable tension, even by the standards of the theatre, hangs over the new production of *Who's Afraid of Virginia Woolf?* which opens at the Lyttelton tomorrow. Its director Nancy Meckler, is both female and fringe-trained, an unusual indeed unique double for the Lyttelton, while its stars Joan Plowright, making her first appearance in the new building and her first return to the company since her husband departed as its director seven years ago, and Paul Eddington, who last played a major classical stage role eight years ago and then at the Bristol Old Vic. Add to that the news that the cast (which also includes David Schofield from *The Elephant Man* as Nick) were strangers to each other until rehearsals began, that the author, Edward Albee, has been hovering in a supervisory capacity over the first London revival of his major work in almost twenty years, and that the production (which was way due for a two-year rebuilding programme) and that the word from there is one of distinct optimism. True, those queues may well have had as much to do with Mr Eddington

ton's new-found fame as the ineffably innocent Jim Hanks as with a residual theatrical respect for Mr Albee or even Miss Plowright; but it needs also to be recalled that Eddington was, after Patrick McGowan, the first British actor to play *Ibsen's Brand* in living memory and that his stage origins were deep in classical repertoire in the regions before *The Good Life* made him a cornerstone of the starriest situation-comedy quartet this country has known.

Eddington is currently (like his former *Good Life* wife Penelope Keith) a very hot stage property indeed, and there are remarkably few comedies currently playing in the West End which were not offered to him before their present incumbents. But his National Theatre debut can, he reckons, be traced back to one night at the Apollo where he was playing last year in a long-running though not especially distinguished comedy called *Middle Age Spread*.

"Rather to my surprise Mike Rudman, who runs the Lyttelton and whom I'd worked for in *Donkey's Years* at the Globe, came backstage to see me. I think he was already looking for a George in Virginia Woolf, and for instance Toby Belch can be said to be the thumbnail sketch for Falsstaff then I think maybe the character I was

playing then had something of George in him. Mind you I'd any idea what was really involved. Can you imagine what it is like for an actor whose recent experience has been in half-hour comedies for television to reach a point in the play where you have been on stage and talking for the best part of two and a half hours and you're only at the beginning of Act III with an hour still to go? It's like a Wimbledon final in which you've lost the first two sets and realize there are three to go and you have to win them all. You need a match temperament."

The chances are however that Eddington has it; born in London 54 years ago, he came from a family of Quaker cobblers.

"Father escaped the family business, survived four years in the trenches and then became an additive gambler; mother ran a sort of saloon in Hampstead until the gambling used up all the money, whereupon she took to managing a series of very good restaurants. I was an only son, brought up at Quaker schools which were rather spartan. It never seemed to occur to any of our teachers that there was such a thing as a George in Virginia Woolf, and for instance Toby Belch can be said to be the thumbnail sketch for Falsstaff then I think maybe the character I was

seemed the only way to combine the two ambitions.

In the event, all it got him was a job as a window dresser at Lewis's in Birmingham.

"I've never admitted to that job before, but looking back on it I do think perhaps that window displays are the poor man's theatre, sets for those who can't afford to go to plays. They ought to get reviews and awards the way that stage designs do. But Lewis's was a very feudal establishment and I didn't care for it much, so I was already looking around for an escape when to my amusement I heard that a girl I knew had been to this co-educational Quaker school who had been accepted for RADA and was going to become an actress.

"That was a real Damascus-road revelation; it had never occurred to me that people like us could become actors, and the moment I heard I knew that at 17 I was old enough to join ENSA, so I went up to Drury Lane where they thrust a script of *George and Margaret* into my hand and told me to read George opposite a bearded



man who would be Margaret. They seemed to like that, and I was told to report the following Monday to the Garrison Theatre, Colchester, as an assistant stage manager."

Eddington did well at Colchester ("for the first and last time in my professional career I did an audition which actually

RSC
Aldwych
TONIGHT 7.30
TOMORROW 7.30, SAT 1.30 & 7.30
A new production of
TROILUS AND CRESSIDA
Directed by Terry Hands
01-836 6404 ext 01-379 6233

Remind
THE EUROPEANS
CITY SQUARE
SAT TWO
SAT MAY FAIR

Race and the mischief-makers

Ronald Butt suggests a new line of inquiry for Lord Scarman

I think clothing coupons were the most FUN I ever had...

Oh for a really good shortage

Even a professional pessimist finds it difficult to enjoy these troubled times. In fact, the only glimmer of hope recently was the picture I saw of housewives actually queuing up to loot a shop in Liverpool.

It made me realize that even when the country is going to the dogs the English insist on taking their pleasures seriously. It proves what I have long suspected: this country likes having a hard time.

I tell you, my friends... what this country needs is... more austerity. Drastic measures are called for if we are to avoid total chaos. My theory is that the English enjoy nothing so much as a bit of shortage and hardship. Give them half a loaf and two hours to queue for it and they will kiss your feet with gratitude. Remember the last war and the innocent pleasure it brought to many people?

Shop assistants could sigh and say: "No, we don't have that sorry-we-can't-get-that-any-more. No-we-can't-wrap that. There's a war on..." And a deep smile would creep over their faces as they turned away to knit their blouses.

Remember the three-day week? We could all go to bed early without feeling that we were missing some wonderful party somewhere. We could share our hot water with our loved ones and not appear stingy. We could indulge our national penchant for masochism—and feel terribly useful and patriotic at the same time.

A memory of fish paste

Who wants to lie back in the hot sun? Not us. Who wants to eat as much as we like? Not us. All that affluence that foreigners enjoy does not really suit the English soul. We like a hotel that chafed half an hour before we arrived. We like a sandwich that has nothing in it but a memory of cucumber and fish paste. Do you know of any other civilized country on earth that produces (and actually eats) fish paste? Well, then, that proves my point. Fish paste is not a food—it is a digestive stigma.

What I propose is quite simple. Instead of Mrs Thatcher trying to improve our lot (and, poor soul, she tries), she should make it grimmer for us all. Bring back rationing. Let us have only two ounces of sweets a week. And one egg. Bliss—no choices about what to have for lunch. Bring back snook and span. Bring back to a restaurant and there is only one course: the sole of the fish, preferably made with powdered egg.

And a decent dollop of queue to go with it. Remember how fun you had queuing for coupons during the war? Bring back the treasured word—sorry. As in, Sorry—no card. Sorry—no brown paper. Ration petrol so that only doctors and civil servants can use their cars. That's the only way to put this country back on its feet again.

Mel Calman

The Scarman inquiry will have its work cut out if, as it now intends, it covers not only the riots at Brixton but the violence at Southall, Toxteth (which seems to be in a somewhat different category from the rest) and Manchester. For logic dictates that it should also look at Wood Green and any other location as yet unknown where young blacks, instructed that they are discriminated against, oppressed and denied work by a racist society, and are misused and persecuted by the police, stage future disturbances.

It may not be easy for the inquiry to keep up with the events that this summer's fashion may determine, but it is likely to be even harder for Lord Scarman to break through the stereotyped modes of thought which now govern public discussion of these matters.

In particular, he will not find it easy to give a cool appraisal to the assumption that, although the immediate culture in these riots have, for the most part, been black, it is really white society (by which is meant the English majority), that is to blame.

This assumption, which is itself essentially racist, is fostered not only by too many spokesmen for the minorities but, worse still, by many of those who are involved in what are euphemistically called race relations.

Thus at Brixton in the spring of last year, the riots were too often excused on the grounds that they were the consequence of maladroitness by the police on standing firm by the letter of the law (over drugs, for instance) and failing to take account of the culture patterns of ethnic minorities which, it is somehow supposed, should condition the application of the law.

It was repeatedly argued that, in the interests of race relations, charges should not be brought, or that they should be dropped; in other words that the law of the realm should be subservient to the supposed interest of a new minority. Now, after Brixton, the persistent cry is that the cause was white racism and unemployment.

A number of television programmes have also persistently revealed an ingrained assumption that white society is the cause of the problem, or that the extreme spokesmen for the so-called ethnic communities. In a BBC television programme called *Heart of the Matter* on May 17, presented by Mr Peter

France, the Deptford fire was discussed in precisely these terms. Mr France set the tone in almost his opening words. "The tragedy... was widely felt to be a black tragedy. It was a black party, black children had died; and so, although there may have been a compassion generated in the wider white community for a few days when the news first broke, it was a distant compassion and it was soon forgotten..."

Are these not loaded words? Do we not all find, since life must go on, that after the first shock of compassion when we read of a public tragedy, we cannot go on feeling dominated by it? Would it not have been the same if the young people were white? In the programme, indignation was expressed that Mrs Thatcher had sent a telegram to the Irish Prime Minister, when 40 Irish children died in a fire, and did not do so to Deptford; but was not this simply a matter of numbers? It may be illogical that heads of government send telegrams according to the numerical size of a tragedy, but that for practical reasons is what they have to do, which is why they send telegrams on earthquakes and air disasters. Nobody pointed this out.

In the same programme, Mr Dariusz Howa, of the so-called Massacre Action Committee, after declaring that it would have been very different if they had been "13 kids from Eton and Harrow," said the black community had been living in a state of apprehension for the past five years expecting a disaster, "and so," he said, on first hearing of the fire, "we were absolutely sure... that it was a West Indian party and that it was another example of the attacks we had undergone in the past five years."

Mr France did no more than comment mildly that it was "somewhat odd" to prejudge the matter in this way, but to Mr Howa it was not prejudice but rather that the blacks had come with a point of view which could have been altered if official society had provided us with evidence to the contrary. In other words, white society is guilty unless it can prove itself innocent.

An even more amazing programme, *Where It Matters*, was staged at Bradford by Yorkshire Television and broadcast nationally on June 9. The audience was overwhelmingly militant-black; there was a near riot beforehand and the programme had to be severely

edited. A Government minister, Lord Belstead, was present and an MP, Mr Nicholas Winterton.

Rational discussion was impossible. According to Mr Winterton, "the audience had been rigged by the unsupervised circulation of tickets so that the overwhelming impression was an audience of incoherent views."

When one mild Asian present suggested that community relations would be better if people were left alone and that the militants were stirring up trouble, two members of the audience advanced threateningly on him. A "race relations" spokesman with an American accent raved on about racism. But the most significant element was the assumptions of Mr Desmond Wilcox, the chairman.

Referring to the Nationality Bill, Mr Wilcox asked, "Does this Bill re-define black people living here as second class citizens?" Since the Bill is not concerned with people living here that is clearly not what it does, whatever other criticisms may be levelled against it. On another occasion he asked: "Why should the majority of people in this hall be seen as a threat to the British way of life?" Finally (though it space allowed I could fill the page) the very first question that naturally occurred to an ITV newsmen the other day after a proposal by the British Medical Association to limit the number of doctors coming to Britain was: wasn't that racism? The answering doctor, who happened to be Indian, answered that it applied as much to a white doctor from Australia as a brown doctor from India or a black doctor from Nigeria.

The Scarman inquiry should surely look not only at the economic background of the riots and the behaviour of the police, but at what part is played in all this by the wide range of race relations bodies, ranging from the most reputable who nevertheless constantly harp on the disadvantage of the immigrants, relating it to colour-discrimination rather than to the natural difficulties that immigrants anywhere always inevitably face, to much less reputable local bodies which fuel discontent instead of calming it.

It should also all look at those organizations which, sometimes with the support of educational bodies, peddle, even in the classroom, black hatred for white society. They should call for documents and papers and look at the broadsheets. There are plenty available. In the long run, the greatest danger

for race relations is not from the neo-Nazis and skinheads but from the prospect that the vast majority of ordinary decent people will become utterly resentful of being stigmatized as a "racist white society."

They have to live with a problem not of their making as a result of which vast areas of their cities have been changed beyond recognition. They are constantly reminded that the new-comers were invited here, which was true of the first hundreds of thousands, but they also remember that when the numbers became so large as to make some restrictions sensible to avoid the very trouble we now have, every effort to do so was bitterly fought in and out of Parliament as "racist."

This fight was conducted by passionate and highly skilled pressure groups conditioning media reactions, and they have done their work well. We now live with the consequences, and of course the newer communities, inevitably finding to be disadvantaged by fewer qualifications, suffer most from unemployment.

Nobody would dispute that unemployment is a tragedy for young blacks as it is for whites, though it would be foolish for the Government to panic into reversing policies which if they can cure inflation will benefit all.

But most important is that we should cease to put into the "dock" the great majority of British people who did not want this problem to arise, whose wishes were ignored, and who have accepted with a very good grace changes which on any reckoning have been a major challenge in many areas of the country to their own sense of identity.

They are now stigmatized as a "racist society", whose words and books are scrutinized for hidden meanings while the violence of the few is excused as the "inevitable" consequence of social conditions, as though human beings had no choice in these matters and almost as though a black (or a white?) unemployed youth who turns violent is hardly to be blamed. The violence of course that white society will be fundamentally alienated—and everyone can think out the consequences of that for himself.

I hope that Lord Scarman will investigate the mischief-makers and even the attitudes of the "do-gooders", of whom Mrs Beate West, an Indian mother, spoke so sensibly in *The Times* recently. After all, she can hardly be accused of being a racist.



The tranquillity of Iona, one of the islands owned by the National Trust of Scotland.

The saving of Scotland

Today the Queen will open a special exhibition at the Royal Scottish Museum, Edinburgh, to mark the 50th anniversary of the National Trust for Scotland. Her visit will focus attention upon a remarkable body which on occasion confused with its English counterpart, and whose achievements have received less than due recognition outside Scotland itself.

Since its foundation in the depths of the Depression, the Trust has acquired "in perpetuity" an astonishing variety of properties. They range from huge tracts of wilderness to tiny cottages and include the monasteries of Glenkiln and Kilduff; the islands of St Kilda, Iona, Fair Isle and Canna; the battlefields of Culoden and Bannockburn; the largest urban park in Britain, and arguably its loveliest castle and finest Georgian terrace.

Its existence as a separate body is largely attributable to English neglect. Although the National Trust in London was founded in 1895, with implicit powers to acquire properties anywhere in the British Isles, it ignored everything north of the border. To be fair, the threat to the countryside and to historic buildings from population growth and urban sprawl was far greater in England. Outside the central lowlands, the wild spaces of Scotland were thought to be secure.

But whether or not the countryside was safe from development, ancient buildings were very definitely at risk from neglect and decay. It was left to the then Marquess of Bute to compile a list of those which he thought should be preserved and, where necessary, restored, and to awaken the concern of his fellow countrymen.

The Trust's initial capital was £150,000, almost half of which was spent on its first purchase, the Palace of Culross, one of the ancient Royal Burghs of Fife which was then in acute decline. It now owns a large part of the town, which it can claim not merely to have renovated physically but revived economically.

At the opposite end of the scale was the purchase of the spectacular and romantic peaks and valleys of Glencoe. The initiative came from Percy Unwin, president of the Scottish Mountaineering Club and later Mounthunter, who had seen the significance of the fact that so

much of Scotland was, and still is, divided into huge privately owned estates, from many of which the public was rigorously excluded. Another notable landmark was the conservation agreement made to protect the "100 acres of colliery in Glasgow, an invaluable oasis in the urban wilderness of Clydeside."

After the war the Trust's attention, like that of its English counterpart, was increasingly drawn to the plight of country houses whose owners could no longer afford to maintain them. Its boldest venture was the acceptance of the glorious castle of Culzean, Robert Adam's masterpiece on the cliffs of Ayrshire. Not one penny was available in endowment.

"It was the most foolhardy thing we could have done," says Mr Jamie Stormonth Darling, the present director. But in popular terms it has proved our single greatest success."

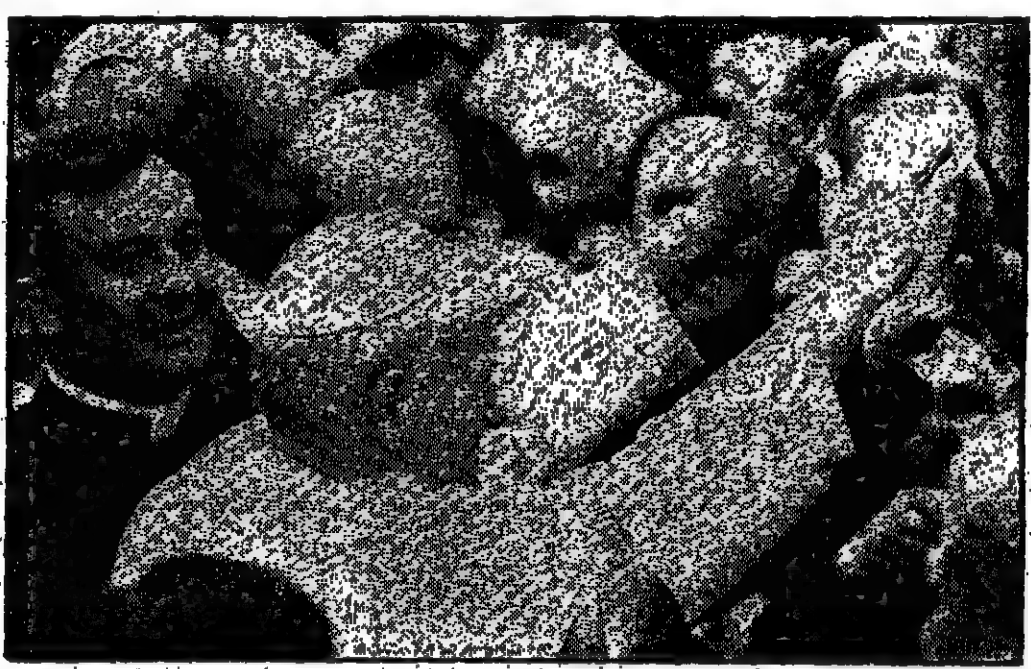
It was not only large buildings which occupied the Trust's attention. There was also the problem of the "little houses", often whole streets of terraced cottages which were decaying and frequently abandoned. With some qualms the thought of being accused of property speculation, it began buying, restoring and reselling houses to those who were prepared to sit or replace them. With a revolving fund of £100,000, it reckons to have put some £2,500,000 worth of property on the market, and the scheme won a European Architectural Heritage Year award.

The remote Atlantic island of St Kilda was controversially evacuated in 1930 and the site of a missile tracking station would have been "murdered" by the Ministry of Defence, had it not been for the Trust's protection. Mr Stormonth Darling claims.

He and his colleagues are reluctant to draw comparisons with the English Trust, modestly pointing out that it is only a tenth of the size in terms of membership and that the English Trust was perhaps more centralized, it seems in some ways to be more dynamic.

"I am constantly thrilled by the way we work," Mr Stormonth Darling says. "We have no rules. We just have to keep our heads and our independence. Every year we say we must consolidate, but we never have."

John Young
Planning Reporter



Italy's absent friend

the role he handled with least assurance. Characteristically, his message to the Italian bishops was to show more courage and make their voices heard. This was difficult advice to follow—in some ways impossible without drastic changes.

There are still 300 bishops, despite cuts and the amalgamation of some smaller dioceses, and this is far too many to expect a unified voice. On the abortion issue, a group of bishops was against calling a referendum at all.

The argument of this minority was that the church should not encourage a vote on a basic principle, and that it had no business at all calling for a vote on a piece of national legislation. This view was shared by the chairman of

the national conference of bishops, Cardinal Ballestrero, the Archbishop of Turin.

He is not, however, the type to impose himself strongly on his fellow bishops. He is a Carmelite, used to a ascetic life rather than laying down lines of policy, and he has the drawback of possessing a wry sense of humour which confuses and even annoys some on the bench.

The chairman of the conference, like the secretary, is a papal appointee. Because of the papal primacy, Italy's bishops cannot choose their own representatives, though it is known that the Pope tried to give them the chairman they preferred. This dependence on the papacy means that the Italian bishops are much more diffident than bishops elsewhere about taking initiatives of their own.

Apart from there being too many of them to have a corporate spirit, they have to deal with another phenomenon much more directly than do other bishops, and that is the Roman Curia. This is particularly true of the Rome diocese, but it is also a factor throughout the country. Even when he is not at full strength the Pope is too busy to handle all Italy's problems personally, and so the Vatican's administrative machinery, always ready to fill a gap becomes a factor in relations between the Primate and his bishops.

In the Rome diocese, there was a feeling that progress had been made toward greater personal contact with the Pope and less with the Curia. That, however, has gone again; at least for the Pope's period of inactivity, and the diocese is

back to dealing with the secretary of state.

The issue is a much bigger one than formal relations between the bishops and their august Primate. The referendum showed that Catholics are a minority, and according to a Rome auxiliary bishop the figure of a third is highly optimistic as the real proportion of practicing Catholics.

In Rome practicing churchgoers are about 15 per cent of the population, despite the typical energy which Pope John Paul II put into visiting the parishes in his diocese.

At the same time the revival of religion, which is undoubtedly taking place, is a difficult mixture for the bishops to handle. There are new attempts at using the church to regain political leadership for the Catholics. When it is remembered that the real change in Italian affairs after the war was the emergence for the first time since Italy became a nation, of a government led by the Catholics, the church clearly has a lot to lose.

The Pope has given a new sense of confidence, especially to young people. He has had a different effect collectively, the bishops. At first they appeared overwhelmed by his unfamiliar and formidable personality in their midst.

From being leaderless among themselves, and used under Paul VI to a Primate who communicated with them mainly through his imperious secretary, they were presented with a super-leader who told them to be courageous while bewildering them with frightening magnificence, to say nothing of doctrinal severity.

And now their Primate, for the moment, has left them. But there is no sign that his absence is taken as leaving the field clearer for fresh approaches to the confused state of religion in the country.

Peter Nichols

"Is this," I teased, "the acceptable face of innovation?"

I was surprised to see a quartz watch made by Audemars Piguet. That they had, for once, forsaken the dedicated craftsmanship of the traditional movement for the wizardry of electronics.

But when I examined it more closely, I could see that this was no ordinary quartz watch. The slimmest of the shimmering case, the fine workmanship, the delicacy of design were unmistakably the handiwork of Audemars Piguet.

He glanced benevolently over the half moons of his spectacles. "Even for us," he said, "time doesn't stand still."



Audemars Piguet

Illustrated brochure and a list of appointed jewellers is available from Audemars Piguet, 67 Saffron Hill, London EC3N 8RS.

Princess gets a union call for help

Staff of the Richmond Fellowship, which administers 29 half-way houses for ex-psychiatric patients, are seeking a meeting with Princess Alexandra, the charity's patron, to explain their grievances with the management.

They say they are tired of trying to persuade the management to recognize the National Union of Public Employees as their negotiating body in discussions on pay and conditions. They accuse some officials of "undemocratic" behaviour and failing to give them adequate support in what is often a difficult and stressful job.

On pay, the union claims that many workers in the Fellowship's rehabilitative and therapeutic communities get up to 30 per cent less than their local authority equivalents. Mr Steven Casimir, the Fellowship's administrator, says the pay is steadily being narrowed. When supplements for long service and special skills are taken into account, "a very different picture" emerges. As a charity, he said, the Fellowship has a limited income, especially in the present recession.

Mr Casimir said he was surprised that the matter should have been made public when the staff were still considering the recommendations of a working party which suggested the creation of a "fully representative" staff group to negotiate pay and conditions annually. NUPGE members, however, remain unimpressed by what they feel is bound to be a toothless body.

Meanwhile they hope their letter to Princess Alexandra will get things moving their way.

THE TIMES DIARY



Nancy Reagan, first lady of America, celebrated her 58th birthday on Monday. Well, it's a woman's prerogative to lose a year or two. She is, in fact, 60. The official New York City record of births for 1921 lists her under her real name, Anne Frances Robbins, born on July 6 in Manhattan, birth certificate number 32579. No Robbins was born in New York on July 6 1923. The birth certificate is with the New York City Department of Health and can be seen only with Mrs Reagan's permission or by members of

her immediate family. A spokesman for the genealogy department of the New York City Library, which houses birth and death records, said: "We have known about her real age for months."

Nancy's second cousin, Kathleen Young, says: "Nancy is four years older than me. I remember staying with her and her mother and step-father in Chicago when I was 12 and she was 16. I'm 56."

Nancy's spokeswoman, Sheila Tuttle, said yesterday: "It's definitely 1923." The White House deputy press secretary, Larry Speakes, was non-committal. Asked if it was her 58th birthday, he said: "She says it is."

Hons and medals

Badges for everyone at the opening of *The Mifford Girls*, a musical tribute to those six extraordinary sisters, at the Chichester Festival Theatre last night.

Ned Sherrin, who used to live next door to me and wrote the production with Caryl Brahams, says that every member of the cast has been presented with a lapel badge carrying the words "I am a Mifford Girl". But in case the four surviving sisters, Deborah, Pamela, Jessica and Diana, feel there is any danger of mistaken identity, Sherrin has had four badges cast especially for them, bearing the inscription: "I really am a Mifford Girl."

Deborah's Duke of Devonshire, he enjoys going to *Angelo for Dennis* because for once he is rather than the ubiquitous Mifford, gets a

mention—the Duchess has suggested a special one-off badge; "I am married to a Mifford Girl."

My own choice would be rather long for a lapel badge. It would read: "I am a Mifford Girl: I was wrong about Hitler, wrong about prisons, wrong about smoggy—in fact, wrong about everything. And still they concoct shows about me."

Well buttered

The Chinese, it seems, are among the world's most assiduous flatterers. Last week I mentioned the Chinese custom of asking someone what is your glorious age? Now I hear from Jeremy Geelan, editor of *Logophile* magazine, that a Chinese economics journal couches its rejection slips as follows:

"We have read your manuscript with boundless delight. If we were to publish your paper it would be



impossible for us to publish any work of a lower standard. As it is unthinkable that in the next thousand years, we shall see its equal, we are, to our regret, compelled to return your divine composition, and to beg you a thousand times to overlook our short sight and timidity."

If I believe that I'll believe anything but I think this story from Peter Hayward about a journey to work on the London Underground, filled with the usual mix of office workers when two young men whom I took to be gasfitters or plumbers from the bags they were carrying, got on and stood by the door. One looked slowly and malevolently around, scowling. Then, in a loud voice, he

said to his colleague: "If I had a machine gun, I'd shoot all of them."

"Except for her," Jean Syed of Tewkesbury recalls another incident in a train, when she was 28. "I was travelling alone on a non-corridor suburban train in south London. At one station a number of schoolchildren got on. Two boys aged about eleven came into my carriage and leant out of the window, calling to their friends: 'This one's inhabited'. As the train moved off I realised that I wasn't actually a wild beast or an ogre. 'Oh', answered one boy quickly, 'I didn't see you were a lady; I thought you were a girl.'"

The winner is Anne Ducker, of Lambeth. She says that when Marlene Dietrich complained to a photographer that pictures he had taken of her were below his former standard, he replied: "Well, I'm ten years older than when I first photographed you, Miss Dietrich." Irresistible.

Eye and ear

Plans are in hand to bring some of the most tasteless and scurrilous humour on record together in a new double album to coincide with the 20th anniversary of Private Eye this October. Material from all 11 of the magazine's give-away films discs will be included as well as items from earlier commercial Eye records.

Addicts will be sickened to hear that the album will include some new sketches which were originally considered too offensive to press.

I understand that one of the worst involves Peter Cook in a not unfamiliar role as a homosexual, discussing his "lisons" with famous politicians over the past 25 years. Very funny, very rude and, if you take it seriously, very libelous.

Peter Watson

High speed gas
and the slow
sell-off, page 25

Business News

THE TIMES July 9 1981

Why monetarists
are wrong about
jobless, page 25

Stock markets
FT Index 522.4 down 7.1
FT Gilt 63.81 down 0.85

Sterling
\$ 1.8793 down 240 points
Index 93.5 unchanged

Dollar
Index 110.9 up 0.5
DM 2.4717 up 284 points

Gold
\$398.50 down \$9

Money
3 mth sterling 13.1-13.4
3 mth Euro 181-171
6 mth Euro 171-171

IN BRIEF

Mills offers £47m for Letraset

Letraset, the artists' materials company that ran into trouble with the acquisition of Stanley Gibbons, has received a £47m takeover bid from Mills & Allen.

The bid was launched two hours after Mills & Allen bought 14.97 per cent of Letraset at 105p through a "dawn raid" carried out in the stock market by stockbrokers Cane, Nove & Co.

Letraset yesterday rejected the bid, describing the terms as totally inadequate, and advised shareholders to take no action. The company would not comment on whether a meeting had been arranged with Mills & Allen.

Mills & Allen, the outdoor poster and money-broking conglomerate that emerged from J. H. Vavasour, is offering Letraset shareholders a share exchange that would give them 38 per cent of an enlarged group. The terms are 20 ordinary shares and 17 10p per cent redeemable cumulative preference shares 1982 of £1 for every 100 Letraset shares.

Financial Editor, page 25

Bank staff deal
The Banking, Insurance and Finance Union has reached agreement with the main High Street banks on improved weighting allowances and overtime rates for about 100,000 bank staff. London weighting is being raised from £1,261 a year to £1,394, and more staff will be paid time-and-a-half for overtime.

£8m Iraq order
Blaw Knox, of Rochester, Kent, has won an £8m contract to supply Iraq with 180 road construction machines and spare parts.

The last Maxi
BL's Austin Maxi, the first British-made hatchback car, of which 450,000 have been sold, came to the end of the road yesterday when production ceased at the company's Cowley plant near Oxford. The factory will now make the Japanese-designed Triumph Acclaim saloon.

200 to lose jobs
About 200 workers are to lose their jobs at Travenol Laboratories, Thetford, Norfolk, a leading supplier to the National Health Service. A small number will also go at Nelson, Lancs, where the company employs 226 people.

ICL one-day strike
About 1,900 workers at ICL went on a one-day strike yesterday stopping production at two of the company's plants in protest at 5,200 proposed redundancies. Employees lobbied Members of Parliament at the House of Commons.

Vosper frigates offer
Mr John Nott, the Secretary of State for Defence, is to discuss with Sir John Rix, the chairman of Vosper, an offer by the shipbuilding and ship repair group to construct the all-purpose frigates required under plans for re-shaping the Royal Navy.

Tobacco rise held
Imperial Tobacco, whose brands include the John Player, Embassy and other WD & HO Wills ranges, is absorbing the 3p a packet duty increase on cigarettes until August 5. BAT Industries is absorbing the increase only on two of its brands, while Rothmans International is not putting up prices for the present.

Dow Jones steady
The Dow Jones industrial average closed at 953.48, down 0.67 on Wall Street yesterday. The S&P 500 exchange rate was 1.13665 while the S&P rate was 0.601243.

Price of new stock sends gilts reeling

By John Whitmore, Financial Correspondent

The Government is believed to have sold only half its latest £1,000m issue of index-linked gilt-edged stock. The disappointing result is made even more pronounced because the Government has been forced to offer a higher than expected yield on the stock already sold. This follows the sell-off of its first index-linked gilt-edged stock earlier this year, just how much stock the Bank of England has allotted to investors is not clear as it would supply no figures yesterday.

Such stock as has been allotted goes to investors who tendered at prices of 586 per cent and above. They all get their stock at a price of 86, at which level the real rate of return is 2.875 per cent.

This compares with the 2 per cent return at which the original stock was sold, and the yield of about 2 1/2 per cent on which it was standing before the Bank's announcement of the tender result yesterday afternoon.

The news that the Bank has accepted tenders as low as 86 immediately cut £34 off the price of the existing (1996) stock and sent the rest of the gilt-edged market into a spin, pushing the FT Government Securities Index to a 41 year "low".

Prices at the longer end of the market were marked down by about £14, to add to the sharp fall seen on Monday. Some medium and longer dated stocks are now yielding more than 15 1/2 per cent.

Although the market had assumed that the Bank would probably exercise its discretion not to accept bids below a certain price level, it had generally been assumed that the cut-off point would be around 90 where the yield on the new stock would have been just over 2 1/2 per cent.

This was despite the fact that a large number of pension fund managers have consistently been pressing the case for a return of nearer 3 per cent and had made it plain to brokers yesterday that they had made the bulk of their tenders at prices between 80 and 90.

While the authorities would undoubtedly have been happier to make the cut-off point rather higher, they finally decided, having examined the tenders, that 86 represented an appropriate balance between their immediate funding needs and the kind of price needed to develop the index-linked market for the future.

Although the deterioration in inflationary expectations over the past few weeks made a further index-linked issue an attractive instrument for further government funding, the price performance of the first issue since it was launched at the end of March has made investors more cautious.

It may also be that some fund managers have decided that the recent upward pressure on interest rates makes it more sensible to conserve funds for investment in conventional gilt-edged issues once interest rates start to turn.

Financial Editor, page 25

Oil tax 'endangering' N Sea exploration

By Edward Townsend

Leading oil company executives told MPs yesterday that the Government's North Sea taxation policy had undermined confidence, created instability and posed a threat to the development of new wells.

Shell UK Exploration and Production and Esso Petroleum complained in memoranda to the Commons select committee on the energy that there had been six changes in petroleum revenue tax since 1979 with the introduction most recently of a tax on turnover on top of the existing taxation structure.

Mr John Jennings, managing director of the Shell subsidiary said taxation had harmed oil companies' short-term cash flow. "It is a blunt instrument which has reduced the incentive to invest in the United Kingdom offshore and it has had a dampening effect on enthusiasm."

Shell's memorandum to the committee, which is investigating oil depletion policy, said: "Some of the tax changes appear to take into account changes in the price of oil without perhaps taking sufficient cognizance of the changes on the other side—costs escalation exacerbating the heavy front-end loading of offshore projects and the changing pattern of development in the North Sea from that of a few very large fields to many more smaller ones."

Esso said that the new supplementary petroleum duty was particularly inappropriate in the current circumstances rather than profits and failed to consider the risks taken by the industry, the huge initial investments made, or the long lead time before such investments were recovered.

Mr Jennings, who said that the sale was part of the planned rationalization of the group's property portfolio, said the new duty was not an ideal fit with the image it is attempting to create.

Esso has just launched a £9.5m promotion of a more up-market profile.

The sale shows that unlike J. Sainsbury and Safeway, Tesco does not see itself expanding with outlets that would sell only groceries and other food. The Tesco thrust will be in much larger supermarkets that can carry a large proportion of non-food items. It already has 70 supermarkets and should be adding another nine by the year's end.

'Lack of professionalism' in Whitehall spending

By Melvyn Westlake

Whitehall departments were yesterday given notice by a parliamentary committee that they did not exhibit adequately high standards in checking the accuracy and propriety with which billions of pounds of tax payers' money was spent, and that quick improvements were needed in the way such checks are done.

In a report from the House of Commons Public Accounts Committee, the internal watchdog on spending and efficiency, MPs have thrown their weight behind a report from Sir Douglas Henley, the Comptroller and Auditor General, which sharply criticizes the internal control of government departments for being below standard and lacking professionalism.

The Treasury had admitted a lack of professionalism and a shortage of qualified accountants to carry out audits. But it accepts that senior management have failed generally to appreciate the potential benefits of internal audit. It agrees that senior management ought to have many cases to have done more about it.

The review carried out by Sir Douglas Henley covered 34 organizations, with annual transactions in excess of

PRICE CHANGES

Rises			
Amal Power	7p to 97p	Man Ship Canal	5p to 133p
Burner HP Rldg	22p to 237p	Mercantile Hse	20p to 903p
Ferruzzi	5p to 55p	Middle Wts	15p to 635p
Kinross	12p to 534p	Schroeder	5p to 47p
Letraset	12p to 109p	Schoombie Marc	20p to 270p
Falls			
Allen WIG	4p to 45p	Imp Cont Gas	17p to 178p
BP	8p to 286p	Lazmo	10p to 517p
Electrocomp	15p to 765p	Royal Ins	8p to 373p
Gen Acc	10p to 330p	Schoombie GH	10p to 180p
GIE	10p to 330p	Sun Alliance	10p to 280p

Tesco sells three stores to Fine Fare for £4m

By Derek Harris

Tesco, which has been expanding aggressively at the cost of high borrowings, is selling two partly completed stores and a not-yet-developed site to Fine Fare, the Associated British Foods subsidiary.

Two Scottish sites and one in the North-east are involved in the deal, which is worth around £4m in cash.

Tesco, which has a £100m store opening programme this year involving 17 new units (more than half of them supermarkets) is believed to be offering some other packages of stores to other large multiples interested in units with selling areas of between 18,000 and 25,000 square feet. Fine Fare, it is understood, was offered more stores than the three it has bought.

The two partly completed stores bought by Fine Fare are at Peterhead, Scotland, and at Sunderland in Tyne and Wear. The Peterhead store, which about

18,000 square feet of selling area is ready for fitting out and should be trading before Christmas. The Sunderland store, with 22,000 square feet, is likely to be trading early next year.

At Alloa, Scotland, the site has been cleared for a store of 25,000 square feet, which Fine Fare classes as a large supermarket rather than a superstore. This could be trading late next year. Two of the properties are freehold and the other is on long lease.

Mr Wallace Monaghan, Fine Fare chairman, said the acquisitions fitted neatly into areas where Fine Fare is already strong. Fine Fare claims 14 per

cent of the Scottish grocery market and around 11 per cent of the North-east market. Fine Fare has nine new Scottish stores planned, one of them a superstore, and four in the North-east of which three are superstores.

Mr Francis Kresja, property director at Tesco, said that the sale was part of the planned rationalization of the group's property portfolio. Tesco also indicated that the three stores were not an ideal fit with the image it is attempting to create.

Esso has just launched a £9.5m promotion of a more up-market profile.

The sale shows that unlike J. Sainsbury and Safeway, Tesco does not see itself expanding with outlets that would sell only groceries and other food. The Tesco thrust will be in much larger supermarkets that can carry a large proportion of non-food items. It already has 70 supermarkets and should be adding another nine by the year's end.

OPTIMISM FROM TREASURY

By David Blake, Economics Editor

Optimistic signs for the economy were highlighted by the Treasury's Economic Progress Report yesterday. Unemployment is rising much more slowly and short time working is falling. Productivity is rising, after holding up well, and most indicators now suggest that the economy has reached the trough of recession.

The Treasury assessment is based on information published last week, but the report gives a sign of how Whitehall wants the figures to be interpreted rather than a report also says that monetary growth is probably within the 6 per cent to 10 per cent target range after allowing for distortions caused by the Civil Service strike.

The Treasury's assessment is based on information published last week, but the report gives a sign of how Whitehall wants the figures to be interpreted rather than a report also says that monetary growth is probably within the 6 per cent to 10 per cent target range after allowing for distortions caused by the Civil Service strike.

Japan and Britain still talking on car quotas

Tokyo, July 9—British and Japanese car makers failed today to reach agreement on the level of Japanese exports to Britain, but talks are to continue.

Two days of discussions between the Society of Motor Manufacturers and Traders (SMMT) and the Japan Automobile Manufacturers' Association (JAMA) went well past their scheduled end with both sides far apart.

Sources close to the talks at Sapporo said that Britain had rejected Japanese assurances of prudence in penetrating the UK market.



Playing Monopoly, Waddington's winner.

Waddington fails to pass go with video games venture

By Margaret Pagano

John Waddington's venture into the electronic games market three years ago with the Videomaster television game has been both painful and costly. Drastic action taken last year has cut out most operations, but it still leaves behind a year of losses—the first time the group has slipped into the red since 1973.

The packaging, print and games group, which started life 75 years ago printing theatre tickets, yesterday revealed a loss of £319,000 in the year to April against pre-tax profits of £881,000 last time. This, however, represents a small recovery from the first half when Waddington, one of whose biggest selling lines is Monopoly, lost £1.02m.

Videomaster losses this year were £2.07m, better than its estimate in January for a £2.2m loss. Last year it lost £2.9m when Waddington optimistically said the worst was over.

But it is no secret that Videomaster has been ill-fated since it was bought for £690,000 from the receivers in 1978. In its first year with Waddington a typhoon covered its supplier's factory in the Philippines with about four feet of mud.

The following year a shortage of micro-electrical parts meant missing the vital Christmas sales period. So in total, Videomaster, whose revenues are now with the Subbuteo sports game subsidiary, has cost the group some £6m.

Mr Victor Watson, the chairman, blamed the disasters mainly on over-optimistic forecasts about demand for games. Nevertheless, he said, Waddington remained committed to games and—rather more cautiously—to electronics.

No further losses are expected from games and Christmas sales prospects are quite good so far. But the group refrains from making a forecast for this year.

Losses before tax this year also include £808,000 on its United States House of Games subsidiary which is almost run down, and a £770,000 profit from Valentine's greeting card business before it too was sold last September to Hallmark.

If games are the heart and soul of Waddington, then its packaging and printing division is the core of the business, now providing two-thirds of sales. Total group sales fell by just under £1m to £56.4m. Although this sector turned in slightly lower pretax profits of £1.3m, present trading is said to be steady. Margins, however, are under pressure from European competitors.

The real knock came from interest charges of £1.3m which turned trading profits of £1.3m into losses. One optimistic sign in management's success in cash control and reducing borrowings, the need for which prompted the £4m Valentine's sale.

Borrowings were cut from £10.6m last year to £2.8m, although they are likely to peak at £5m during the year to cover stocks. This brings gearing down to a reasonable 15.5 per cent against 60 per cent. Interest charges should be about £600,000 this time, and pretax profits of at least £2m are believed to be within reach.

Opposition to Lloyd's Bill grows

By Richard Allen, Insurance Correspondent

Hopes for the survival of the controversial Lloyd's Bill received another severe setback yesterday. Mr Frank Holland, chairman of C. E. Heath, one of Lloyd's oldest brokers, declared that he would join a campaign to kill the Bill if it included a clause on divestment.

The clause, which has been demanded by a parliamentary committee, would force brokers to sell off their underwriting interests in the market. Lloyd's ruling committee has accepted the demand and is urging members to vote for its inclusion in the Bill at a ballot planned for July 17.

But at his group's annual meeting yesterday, Mr Holland said: "I deplore the haste with which this matter is being rushed through." He added that it was the interaction between brokers and underwriters that



Mr Holland: Bill 'being rushed through'.

made Lloyd's unique, and that to eliminate one of the two interests could damage the market irreparably.

He suggested that the Bill should be shelved to allow the ruling committee to work with brokers on achieving a better solution.

"I don't think I can have the finger of scorn pointed at me for having a vested interest," he said, adding that underwriting profits accounted for 5 per cent of his group's pre-tax total of £11.5m last year but were normally around 2 per cent. "That figure is peanuts."

Although many brokers are known to be against a divestment clause and another seeking divorce between members' agents and underwriting agents—only Heyden has so far campaigned vigorously and openly against such a move, Lloyd's officials fear that others may join now that Heath has shown its hand.

US rates push dollar up further

By Frances Williams

The dollar surged on world markets yesterday as leading American banks raised their prime lending rate from 20 to 20 1/2 per cent.

The pound sank to a three-year low, falling 2.40 cents from Tuesday's close in London at \$1.6795. But it was generally stronger against European currencies and its index measured against a basket of currencies remained unchanged at 93.5 per cent of its average 1975 level.

Gold, depressed by the strong dollar and rising United States interest rates, dropped below the \$400 barrier for the first time since November 1979. It fell \$38.50, marking a 14 per cent fall \$9 on the day to close at decline in just two weeks.

American interest rates dominated the markets. Most observers expect short-term rates to remain high, with no significant change in the Federal Reserve Board's tight money policies. The Fed added liquidity to the banking system yesterday when the key Federal Funds rate was trading at 19 1/2 per cent, suggesting that it did not wish the rate to go above 20 per cent.

But the markets preferred to concentrate on the rise in prime rates.

The dollar reached a five year high against the Deutsche-mark, up 2.84 pfennigs from Tuesday at DM 2.4717; touched its highest level in 23 years against the French franc at FF 5.8650 to the dollar; and set a new record against the Italian lira.

The European currencies were fairly steady against each other.

The gold roller-coaster, page 24.

Italian bourses ordered to shut

From John Earle, Rome, July 8

The Government acted today to prevent further selling on Italian bourses by closing them until Monday.

Signor Beniamino Andreotta, the Treasury Minister, issued a decree suspending dealings in order to determine the positions that have been taken and to ascertain the causes of the disturbances existing in the official securities market.

The decree should calm for the most dramatic crises in Italian bourse history. Italian stock exchanges were closed by the government once before, for two days after the disastrous defeat of Caporetto in 1917.

The newspaper La Repubblica said the 'bourse' faced, not just a grave selling wave, but possible collapse.

The public flocked to buy equities last year as an anti-inflation hedge. Prices soared until late this spring, when the bubble burst. To dampen the wave of speculative selling

that then developed, the supervisory commission on June 17 ordered that dealings temporarily should be on a cash basis only.

Last Monday, dealings for the monthly settlement day were restored, but with the requirement that buying should be accompanied by a 30 per cent cash deposit, and short-selling by a 70 per cent deposit. Buyers were not to be found, and prices dropped by an average of 7 per cent.

ABRIDGED PARTICULARS
These abridged particulars are not an invitation to purchase shares. Application has been made to the Council of the Stock Exchange for the whole of the issued share capital of Hamilton Oil Great Britain PLC to be admitted to the Official List.

HAMILTON OIL GREAT BRITAIN PLC

Offer for Sale

by
Kleinwort, Benson Limited
of
10,010,000 ordinary shares of 10p
each at 140p per share
payable in full on application.

Share Capital
Authorised £6,000,000
Issued and to be issued fully paid £5,005,000
in ordinary shares of 10p each

No action will be taken on any application for the ordinary shares now being offered until 10 p.m. on Wednesday, 15th July 1981. The application list may be closed at any time thereafter.

The Offer for Sale (on the terms of which alone application will be considered) with Application Forms is published today in the Financial Times and The Daily Telegraph.

Copies of the Offer for Sale (on the terms of which alone application will be considered) with Application Forms may be obtained from:

Kleinwort, Benson Limited,
20 Fenchurch Street,
London EC3P 3DB

Kleinwort, Benson Limited,
Tricorn House,
Hagley Road, Five Ways,
Birmingham B16 8TP

Kleinwort, Benson Limited,
78/80 George Street,
Edinburgh EH2 3BU

Cazenove & Co.,
12 Tokenhouse Yard,
London EC2R 7AN

Investors still face a rough ride on the gold roller coaster

Over the past two years, holders of gold have suffered the roughest ride for their money in the precious metal's modern history. Yesterday the price sank to \$398.50 an ounce in London, slipping below \$400 for the first time since November 1979, and well under half the peak of \$850 it touched briefly in the heady days of January 1980.

Unprecedented day-to-day fluctuations, with a record rise of \$75 in one day in January last year closely followed by a \$135 fall, have been enough to give palpitations to the most stout-hearted of investors.

What, then, has happened to make gold ride the roller coaster with a vengeance? Is its recent instability a portent of a yet more heart-stopping ride to come?

The last gold boom began in 1979, after several years of gently rising prices. Ironically, in view of later events, the leading impetus behind the

accelerating gold price was the weakening dollar which, undermined by mounting inflation in the United States, fell below DM171 for the first time in December 1979. This led people to look around for investments which would provide a better hedge against inflation, and it was not long before the steady appreciation of the gold price caught their attention. Most notable among these were the oil-producing nations, which were running up enormous dollar surpluses as a result of the doubling of oil prices in 1979, and saw these being rapidly eaten into by double-digit dollar inflation.

A second reason for renewed interest in gold was the complete failure of the programme of gold sales by the American Government to have any dampening effect on the price. If the United States could not enforce its desire to "demonetise gold"—remove its status as a backer of world currencies—because

Frances Williams examines the reasons behind the volatility of the gold price, now below \$400 an ounce after last year's \$850 peak.



demand far outweighed the impact of large sales on supplies, then, investors reasoned, the price could only go up.

By November 1979, with the price at close to \$400 an ounce, nearly twice its level a year earlier, the stage was set for the subsequent meteoric ascent to \$850 in January. It began with the Iranian seizure of the American hostages; a further sharp rise in oil prices caused

by fears of impending shortages due to production cutbacks by Iran; and the Russian invasion of Afghanistan. Such events were tailor-made to appeal to gold's time-honoured role as a haven from political turbulence.

Gold fever in mid-January 1980 made front page news. Thousands of small investors who had never bought gold before put their money on what seemed to be an unstoppable winner.

It is a commonplace in the trade that, when the small men get in, it's time for the professional to get out. A week after the price peaked, those who bought at the top had lost more than \$200 on every ounce. The lightning collapse left practically no time for investors to save themselves. It is the persistent liquidation of this ramp of gold, bought at the inflated prices of that time, which has depressed the gold price over the past 18 months.

Since the beginning of last year, gold has been on a continuing though occasionally erratic downward trend. The principal factor during that time, in the precise reverse of what went before, has been the strength of the dollar and associated high American interest rates.

Dollar strength and high United States interest rates hurt gold in two ways: because the dollar tends to take over from gold as a "refuge" cur-

rency, and because the costs of holding gold, which does not earn interest, in preference to dollar investments become substantial.

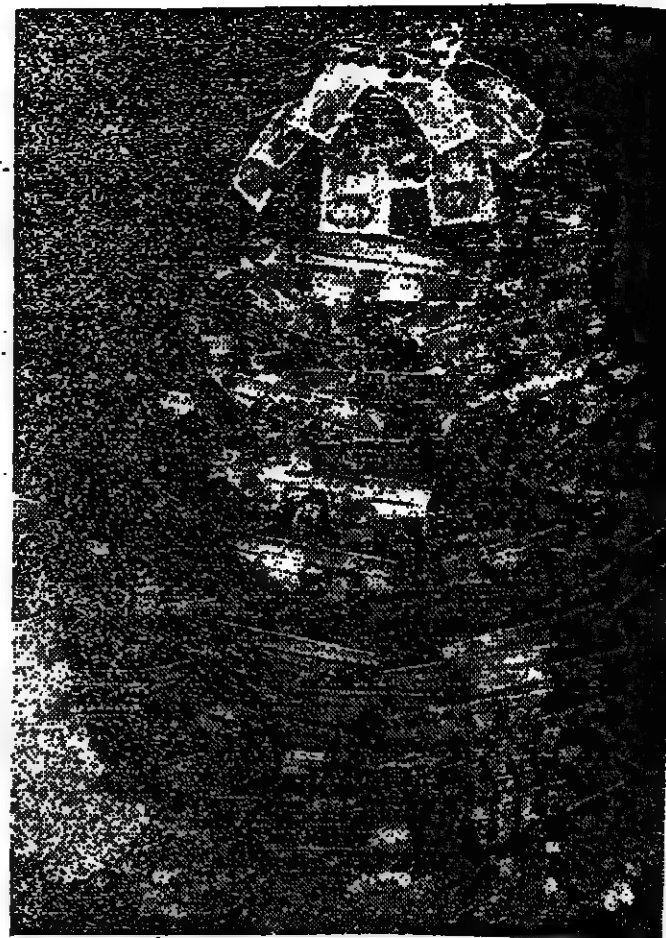
The dollar's impact on the gold market has been so overwhelming that political upheavals have had comparatively little influence. Dealers were amazed that gold did not consolidate short-lived gains after the outbreak of hostilities between Iran and Iraq (when it went above \$700 an ounce); continuing Polish troubles with the overhanging threat of Soviet invasion, and most recently the Israeli bombing of Iraq's main nuclear reactor.

Dealers are now saying that only a substantial and permanent fall in American interest rates, to around 15 per cent from their present 30 to 20, per cent will produce a convincing gold rally.

Analysts are now loath to suggest where the next sticking point for gold might be. President Reagan's unwavering commitment to tight money policies to defeat United States inflation, coupled with his three-year tax cuts programme, imply high American interest rates for some time to come.

Yet those on the gold roller coaster should probably resist the temptation to jump off.

If they can afford to they should hang on. Sooner or later, gold's traditional values are bound to be reasserted. Supply is limited; demand almost unbounded. When the dollar has had its day, gold may be waiting in the wings.



This pile was worth £1m 20 years ago, when gold traded around a fixed price of \$35 an ounce. Today, with gold at \$398.50 an ounce, it would be worth almost £17m.

Hambros 1981

Mr. Jocelyn Hambro, M.C., reports on the Hambro Group

	1981 £ million	1980 £ million
Profit available to shareholders	22.1	12.1
From operations	15.3	9.8
Investment gains and extraordinary items	7.8	2.3
Earnings per 25p share	100.0p	57.4p
From operations	71.9p	46.5p
Investment gains and extraordinary items	37.1p	10.9p
Dividends per 25p share	22.5p	16.5p
Interim	6.5p	5.25p
Final	16.0p	11.25p

I am pleased to be able to report on a successful year in which our established business has produced good results and where we have taken initiatives which I believe will benefit the future.

We have achieved significant growth in earnings and in resources. Earnings from operations at 71.9p per share are 54% higher than last year.

Shareholder's funds in the consolidated balance sheet have increased from £83 million to £115 million. Total resources including loan capital and minority interests were £156 million, added to which there was a surplus, net of assumed taxation, of £103 million on our investment in Hambro Life Assurance.

We propose final dividends which, with the interim already paid, will amount in total to 22.5p per 25p share against 16.5p last year, an increase of 36.3%. Dividends are covered by historical cost profits 4.8 times, and by current cost profits 3.5 times.

I would like to pay tribute to the growth that has been achieved in merchant banking by all operating divisions despite the very real economic difficulties that have prevailed throughout the period. Our acceptances at the year-end were above £400 million. They are mainly, but not entirely, in sterling. There was an accompanying increase in foreign currency banking business. The fee earning activities of corporate and shipping finance, and of international bond and loan issues made satisfactory contributions. We were the first to re-activate the sterling bond market for international borrowers, and we either led or co-managed all those issues domestically placed for overseas borrowers during the year.

Consolidated Financial Statement at 31st March, 1981

	1981 £ million	1980 £ million		1981 £ million	1980 £ million
Share capital and reserves	115	83	Balances with bankers and money at call	156	161
Minority interests	6	3	Term loans to banks, local authorities and certificates of deposit	538	562
Loan capital	34	38	Dealing securities and trading stocks	33	32
	155	124	Loans, advances and other accounts	582	574
Current, deposit and other accounts	1,474	1,250	Customers' liabilities for acceptances	406	381
Acceptances for customers	406	381	Investments	71	63
Deferred taxation	8	12	Fixed assets	10	7
Proposed dividends	2	2		2,046	1,669
	2,046	1,669			

We launched two initiatives during the year in the field of oil and gas exploration. We helped promote and finance Dawsea Limited which, in partnership with others, was awarded six licences in the North Sea seventh round applications. Four of these are in prime blocks. In the United States we are participating in exploration for natural gas in Oklahoma and Texas. Early results there have been encouraging. In other respects our direct investments have also had a successful year and, as our energy interests start to contribute to earnings, we believe they will prove a continuing source of benefit for the future.

Since the year-end we have welcomed the Fidelity Insurance and Reinsurance broking companies into the Hambro Group. They have developed with much success over recent years and we look forward with confidence to that continuing.

My thanks, as always, are due to my colleagues, management and staff of the whole Group. We look forward with confidence to the future.

Copies of the Annual Report can be obtained from:
The Secretary, Hambro Bank Limited, 41 Bishopsgate, London EC2P 3AA.



Hambros

Bill puts Britain's air couriers on flight path to expansion

By Bill Johnston

The passage of the British Telecommunications Bill through Parliament yesterday gave the green light for substantial growth in the international air courier business.

The Bill suspends the Post Office monopoly for time-sensitive letters, provided there is a minimum charge of £1. It is a clause which is crucial to the air couriers.

These operators deliver and transport documents from the United Kingdom overseas. A courier will invariably travel with the documents and these are "checked-in" as the courier's personal luggage.

This year alone British operators will be paying over £30m

to airlines for tickets and baggage.

The Association of International Air Courier Services (AIACS), which was formed in 1976 and has 19 members, has given assurances to the Department of Industry that its members will adhere to the spirit of the new Bill, which is expected to receive the Royal Assent by the end of this month.

The AIACS has undertaken to produce a code of practice which will be registered with the Office of Fair Trading.

The membership is concerned that the new freedom given to operators could be misused if not properly controlled. The trust which exists

between the regular couriers and foreign Customs and Excise authorities could be put in jeopardy by what the association terms "cowboy" operations.

The association emphasizes that its members will not be competing with the Post Office although the corporation operates a service called Dataspost which delivers to 19 countries.

The AIACS membership claims to offer a different type of service to a different type of client. The personal delivery of urgently needed cheques or documents for banks, international lawyers and accountants, newspapers and oil companies is expected to form the backbone of a growing industry.

German bank chief to resign after losses

From Peter Norman, Brussels, July 8

Dr Johannes Völling, chief executive of the trouble-hit Westdeutsche Landesbank Girozentrale of Düsseldorf, has asked to be relieved of his post.

In a brief statement, the 59-year-old banker said he had asked Professor Reinhold Jochims, chairman of the bank's supervisory board and Economics Minister of North Rhine-Westphalia, to draw up a contract to terminate his membership of the bank's managing board.

It is understood that Dr Völling's decision is related to the serious loss of profitability at present affecting West Germany's largest public sector banking institution. Like Commerzbank AG, Westdeutsche Landesbank has become a victim of the Federal Bank's continued high interest rate policy. It was forced to omit paying a dividend for last year because of losses arising from the need to re-finance long-term lending through high-cost short-term borrowing.

At a Press conference at the end of May, Dr Völling said the overall "mismatch" in the group amounted to DM10,800m (£2,358m) at the end of January this year. Most of the long-term lending was in the form of investment in West German public bonds and local authority loans although some DM2,600m of the total was long-term international lending that had not been adequately refinanced. While the bank's foreign lending difficulties will sort themselves out over the next two to three years, the redemption of its domestic fixed interest investments will only begin in 1983. Last year, the "mismatch" cost the bank DM97m. Its interest losses for this year have been estimated at DM400m. The bank, which has total assets of more than DM100,000m, could only muster a net profit of DM45m last year because its real estate financing subsidiary produced DM60m of net profit to offset a loss of DM15m at West-LB itself. Dr Völling stepped up from number two at the bank to be appointed chief executive in January 1978 when he replaced Herr Ludwig Poulain, who was summarily dismissed by the bank's supervisory council for alleged "gross violation of his duties in having acted as a paid consultant for a south German financier."

Borrie complains merged firms 'fail to deliver'

By Derek Harris, Commercial Editor

Corporate mergers too often fail to fulfil the expectations advanced for them, Mr Gordon Borrie, director general of Fair Trading, says in his annual report for 1980, out yesterday.

He says that, particularly with conglomerate mergers, more details of subsidiaries' financial performance need to be given. This should be borne in mind when a suitable chance comes for new legislation, Mr Borrie adds.

He also gives a strong warning to industrialists who may use anti-competitive practices on the argument that they are needed for survival during the recession.

The Government's position that mergers should be approached more sceptically, by Mr Borrie and the Monopolies and Mergers Commission is welcome, Mr Borrie says. The degree of industrial and commercial concentration in the United Kingdom, to which mergers had made a big contribution, now exceeds that in almost all key industrialised countries, Mr Borrie says.

It remains to be seen how

much more closely mergers can be questioned without changes in legislation, Mr Borrie adds. Mergers that are a diversification into new areas for the buying company must be watched, he says, lest they diminish competition with no efficiency gains.

There is a danger that inappropriate or bureaucratic management styles might be imposed, or that market processes might be distorted by cross-subsidisation and predatory pricing, he says. The government has made clear that there is nothing sinister about conglomerate mergers as such, and that benefits may arise from diversifying mergers, Mr Borrie points out. Of 182 mergers looked at by Mr Borrie last year, 56-61 per cent were diversifying mergers.

Whether fresh legislation affecting mergers is needed should be known when the Monopolies Commission produces more assessments of mergers referred to it since last July.

Annual Report of the Director General of Fair Trading 1980: HMSO £5.70.

FOREIGN

US warning on trade pacts

The United States will impose import duties on goods of countries that violate the spirit of trade agreements, Mr Bill Brock, American Trade Representative, said.

"We will strongly resist protectionist pressures and give top priority to international trade", he told a Senate banking sub-committee.

The quest for free trade was the basis of United States trade policy and would be enhanced by modifying American laws that discouraged exports, such as the Foreign Corrupt Practices Act, which placed stringent restrictions on bribes overseas.

Thermo-nuclear cash

The European Commission plans to raise Community spending on thermo-nuclear fusion research to 680 million European units of account (about £374m) in the five years to the end of 1986 from 385.5 million units agreed for the five years to the end of 1983. More than half the money will go towards the Joint European Torus project at Culham in Oxfordshire, which is intended to demonstrate the scientific feasibility of fusion technology.

Film companies deal

Metro-Goldwyn-Mayer Film Company expects to complete its previously announced plan to acquire United Artists Corporation for \$380m (about £201m) later this month.

£317m Bahrain link

Saudi Arabia has signed an agreement with the Bandar-Nedam and Ballast consortium, to build a \$600m (about £317m) causeway linking Bahrain with the mainland.

Synthetic fuel plant

Asea AB has agreed on a consortium with the Swedish municipal utility Storstockholms Energi AB to design a synthetic motor fuel plant worth an estimated 2,000m to 2,500m Krona (about £254m).

£22m roads contract

The Nigerian subsidiary of Taylor Woodrow, has been awarded four road contracts worth a total of £22m, bringing the value of Nigerian contracts won by the company in the last six months to £100m.

Japan oil stocks

The semi-official Japanese National Oil Corporation has bought 1.1 million barrels of Mexican crude oil to add to Japan's stockpile held offshore in laid-up tankers.

Norwegians withdraw

The Norwegian state-run Aardal OG Sunddal Verk AS and the private concern Elkong-Spigerverket AS have withdrawn from a project designed to double Jamaican bauxite and alumina production.

Consumers and manufacturers are worried about the showrooms decision

Slow speed sell-off for high speed gas

**Intusion - 3, rue de la Paix - 75001 Paris
Cedex 16-France.**

Cashflow	5.0	6.2
Earnings		
Earnings(excluding inventory incidence)	0.69	2.4
Investments	6.9	2.9

The brochure "Compagnie Française des Pétroles and the TOTAL Group in 1980" is available on request, in French and in English; from the Service Diffusion - 5, rue Michel-Ange 75721 PARIS

Peter Hill

Pauls & Whites are investing...

...In Products

More efficient use of raw materials has held down the cost of animal feed and helped to increase the Company's share of the market. Continued prize-winning work on energy conservation has helped contain the cost of malt production.

...In Britain

£15.6m of investment in the last two years. The new malting plant at Buckie - the largest of its kind - sited in Speyside to serve the Scotch whisky industry; the new feed mill at Preston to give improved service to farmers in the North West; the new plant at Reigate to extract flavouring constituents from hops has generated international interest; and the new savoury food flavours plant at Milton Keynes.

...In People

Under the Profit Sharing Scheme introduced in 1979, two-thirds of our employees now receive shares in the Company each year. Current pensions are again being increased to help pensioners with the problems of inflation.

Results	1981	1980	Increase
To 31st March	£000	£000	%
Sales	241,773	220,680	10
Exports	15,552	11,234	38
Pre-tax profits	8,611	7,977	8
Earnings per share	27.15p	21.96p	24
Dividends	6.50p	5.75p	13

Pauls & Whites is one of Britain's leading companies serving British agriculture and the food and drinks industry worldwide, producing malt, animal feed, food flavours, hop extracts, caramel, flour, pigs, seeds, vegetable oil and maize products.

Copies of the Report & Accounts can be obtained from:
The Secretary, Pauls & Whites Ltd.,
47 Key Street, Ipswich, Suffolk.

PW
Pauls & Whites

BP worries rock equities

Staggering under the weight of fund-raising operations, the market lost further ground yesterday, with concern over BP's rights issue leaving equities sharply lower.

Gilt were also badly hit, despite Tuesday's better than expected banking figures, with losses of up to £2 generally. This was in response to the announcement at 3.30pm that the latest index-linked stock, Treasury 2 per cent 2006, had received only moderate support and would open at 288 when dealings began today. This was well below most expectations and produced a flurry of sellers when trading was resumed an hour later. The present index-linked issue Treasury 2 per cent 1996 ended £34 lower at £92.

Elsewhere, falls of around £1 1/2 were reported in long shares - falling by up to £4. Equities came under pressure as news that a large part of the BP rights issue would be left with the underwriters continued to circulate. Early estimates suggested that up to 50 per cent of the RMG stock could be left with the underwriters. Having lost its premium completely at one point, the RMG finally closed with a premium of only 1 1/2p with the new ordinary down 7p at 11p premium. The ordinary shares ended 8p lower at 286p.

Dealers remained perturbed by too much paper chasing too little money, and it was clear last night that a major fund-raising operation was under way by most of the City's leading institutions.

But had it not been for the savage marking down of prices on Tuesday the situation might have been much worse. As it was, most of the selling was contained and the FT index closed only 7.1 lower at 5224, having opened 2.1 up, helped by a certain amount of bear closing.

Leading industrials were again a prime target for the sellers which resulted in some heavy losses. ICI fell 6p to 266p, Bescan 6p to 212p, Glaxo 4p to 372p, Unilever 3p to 573p, Fisons 7p to 133p, BOC International 4p to 136p, Dunlop 2p to 77p, Distillers 3p to 221p, and Bownet 2p to 259p. GKN eased 2p to 137p after the sale of some of its Middle East interests, while favourable comment limited the fall in British

Brokers Hoare Gossett yesterday placed the ramp of 6m shares in European Ferries at 80p after its recent rights issue for £36m. Elsewhere, 500,000 shares of Blue Circle were placed at 47 1/2p and 250,000 of GEC at around the market level.

Aerospace to 1p at 26p.

The one bright spot of the day was the market debut for Memec (Memory and Electronic Computers), the shares of which were oversubscribed 58 times last week. The shares were originally offered at 140p and soon leapt to 204p before settling at 197p for a rise on the day of 57p.

Shares of Letraset jumped 25p to 109p after a surprise dawn raid for 15 per cent of

the company by brokers Casanova. Mills & Allen merged as the auction and immediately laid down an outright bid for the company valuing Letraset at 110p a share. However, Mills & Allen had already lost 31p to 43p.

Higher-than-expected profits added 22p to BP Bulmer at 237p. John Waddington rose 4p at 18p, Fashion & General 2p to 277p and Molles Group 3p to 104p, all making ground after fading news. But Associated Fisheries slipped 1p to 57p and Homfray 11p to 12p after figures.

Still benefiting from recent trading news, Romper Holdings rose 10p to 221p, while profit-taking left Hazlewood Foods 10p lighter at 245p.

British Remo added 1p to 24p on further consideration of planned capital proposals and Mercantile House rallied 20p to 903p after recent figures and rights issue news.

Shares of William Collins "A" responded 8p to 158p on the news that News International had increased its stake and Rand Mine Prospects were suspended 31p to 10p after Barlow merger was announced.

The insurance sector remained firm, still in the belief that a dawn raid on one of the companies was imminent. Commercial Union, tipped as a

likely candidate, rose 2p to 177p, but after an initial flurry General Accident lost 10p to 330p, GRE 10p to 330p, Royal Insurance 8p to 371p, Eagle Star 6p to 315p and Sun Alliance 10p to 89p.

Oils remained depressed by the BP news with Ultramar down 7p at 428p, Lasso 10p at 517p and Tricentrol 6p at 234p all badly affected.

Equity turnover on July 7 was £120.267m (16,143 bargains). Active stocks yesterday, according to the Exchange Telegraph, were: Comm Union, Mills & Allen, BP Bulmer, Royal Ins, Leermace, Shell, BP, Torr EMJ, Barlow and Rascal.

Traded options: Renewed demand saw 2,020 contracts recorded of which BP alone accounted for 323. Calls for BP alone amounted to 1,101.

FINANCIAL NEWS

Stock markets

Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
at or for	£m	£m	per share	pence	date	total
Asco Fin (I)	22,325.3	0.5(0.54)	0.53(1.51)	0.25(0.25)	24/6	—(1.0)
H P Bulmer (F)	56.4(49.5)	4.5(3.3)	35.3(24.5)	4.05(3.22)	7/9	9.38(8.54)
J Booth (Bottom) (F)	9.3(8.47)	0.09(0.02)	5.23(3.53)	1.0(1.0)	24/8	1.0(1.0)
Fusha & Gen Inv (I)	—	0.24(0.2)	—	14/5	14/5	—(7.6)
West Group (F)	33,527.4	2.12(2.02)	19.17(9)	4(4)	1/10	6(6)
Homfray (I)	13.57(14.7)	1.5(2.76)	8.87(17.9)	—	—	—
M & G Dual Trust (I)	—	0.74(0.69)	—	9.05(8.5)	—	—(18.35)
Radiant Metal (F)	0.81(0.9)	0.18(0.26)	—	2(2)	12/9	3(3)
Reedley & K (F)	4.43(4.4)	0.15(0.1)	32.4(24.0)	2/10	2/10	9(4.7)
J Waddington (F)	56.4(57.2)	0.31(0.281)	3.64(7.51)	3.5(5.68)	1/10	6.0(11.9)

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To dividend by the net dividend by 1.428. Profits are shown pre-tax and earnings are net. —Loss; —Latest figures are for half year to March 31, 1981, compared with six months to September 30, 1980.

Record year for Hollas

By Rosemary Unsworth

Hollas Group, the Cheshire textile and garment importer, managed to improve its profits last year to record level in spite of a decline in margins.

Pretax profits went from £2.02m to £2.12m in the 12 months to March 31 while earnings climbed by 8m to £35.3m. Trading at the group's year processing factories lost £250,000 and four factories were closed and another two amalgamated. The costs of the reorganisation and redundancies appear below the line at

Associated Fisheries declines

Associated Fisheries made lower profits - down from £638,000 before tax to £335,000, in the half year to March 31 but the firm reported some improvement over the preceding half year, when the group made a £533,000 loss. The interim dividend is unchanged at 0.36p gross.

The group has continued to reduce its fishing fleet, which now comprises 22 operational vessels, 11 on oil-rig standby and three permanently laid up. The number of employees at Hull has been cut. But a

reduced mackerel quota, low prices and higher operating costs pushed up half-year trading losses from fishing from £38,000 to £507,000, although there was a small underlying improvement on the second half of 1979-80.

Mr Keith FitzGerald, chairman, said that the delay over a common EEC fishing policy meant further uncertainty. But the Government has extended financial support to the industry and British United

£14m offer for sale by Hamilton Oil

By Peter Wainwright

Kleinwort, Benson is offering for sale 10 million shares in Hamilton Oil Great Britain at 140p a share. Applications for this £14m offer for sale will open and close in six days' time. Dealings should begin on July 21. Broker to the issue is Casanova.

Hamilton Oil Great Britain is one of a group of companies in which management control is exercised by two brothers, Mr Frederick C. Hamilton, Mr Frederick C. and Mr Ferris F. Hamilton. One of these companies, Hamilton Petroleum, is traded in the over-the-counter market in the United States.

After the offer for sale, the brothers will own roughly 24 per cent of the company's shares. Around 51 per cent will continue to be in US hands. None of the proceeds of the offer will go to the company; the 10 million shares on offer come from a variety of shareholders, including the chairman's brother, Mr Ferris Hamilton, who is selling for health reasons. The other shareholders wanted the company to start paying dividends, while the chairman wished it to grow through retained earnings.

No sign of upturn at Pilkington

Mr Anthony Pilkington, chairman of Pilkington Brothers, told shareholders in his annual report that trading remains extremely difficult in the UK, with no improvement expected until at least the second half.

He said he did not expect the group to make another £12m loss in the UK this year, but it would continue to make losses until demand picked up. Float glass operations are working at 70 per cent capacity, while the fibres division is running at only 50 per cent capacity. Further redundancies are expected.

Bodycote International deal with Ix Group

Bodycote International has entered into an agreement with September 1, with Frank Ix and Sons Inc, in association with Ix Ireland (weavers of synthetic and blended fabrics) whereby the Ix Group will continue the business of William Denby and Sons (dyers and finishers).

This will enable Ix Ireland to have dyeing and finishing facilities to aid its rapidly expanding position in the United Kingdom and EEC.

Bodycote will continue to operate and develop its other subsidiary at Baldon. Denblamers, coaters and laminators of fabrics, but in all other respects will cease to operate

Vickers' £185m US takeover

Vickers has acquired Miller Hydro Company of Bainbridge, Georgia, for \$352m (£185m) payable in cash. Miller Hydro's principal activity is the design, manufacture and distribution of bottle washers and case packers for the soft drinks bottling and packaging industries.

The acquisition of Miller Hydro represents a significant expansion by Vickers of its bottling machinery interests which are presently conducted by the Vickers-Dawson Division.

Hampton gold not to raise Paranga bid

The takeover fight for Australian-based Paranga Mining and Exploration group took a new turn yesterday, when Hampton Gold Mining Areas, already holding 26 per cent, said it does not intend raising its 62p-a-share bid, and Apollo International Minerals has extended its 85p-a-share takeover for a month. Apollo has 35.7 per cent of Paranga.

The Paranga board has consistently rejected the Hampton offer as too low, but has made no previous comments on the Apollo bid.

Homfray to cut more jobs as losses continue

By Philip Robinson

Loss making West Yorkshire carpet maker Homfray said yesterday that it will cut more of its workforce before it can return to profit.

For the six months to last March, the group virtually halved losses to £1.5m on a turnover which eased from £14.7m to £13.5m. In that period it cut the workforce from 720 to 520 and says that by the end of its financial year in September the figure will be down to 350.

The group has passed the interim dividend again and the shares lost 1p to within a whisker of their year's low at 12p.

Redundancy and closures cost Homfray £571,000 in the opening half, and Mr Hugh Sykes, the new chairman who took over earlier than planned after Group Captain Denis Gilling retired on medical advice, says there will be a similar substantial cost in the second half.

But without making a forecast, he hints that the group should be approaching break-even in 1982. He is quietly confident of a significant contribution from the group's wholly owned Australian operation which in this year's first half lifted profits from £47,000 to £82,000.

Closure of one of its major factories has released assets with a £5m book value which are up for sale, and £2m worth of capital spending over the last two years has given the group production costs that are among the lowest in the carpet industry.

Mr Sykes says there will also be a move to reduce borrowings which, although higher during the first half, ended the six months at £8.5m, unchanged on last September's figure.

Mr Sykes said that the group is now concentrating on higher quality products where, despite market conditions, it is still possible to achieve selling prices which give some reward for productive effort. He adds that the weaker pound is creating further export possibilities. Four years ago about one third of production went out of the United Kingdom. This year the figure was nearer 10 per cent.

Barlow Rand merger

By Michael Prett

Mining Correspondent

Barlow Rand, one of South Africa's biggest mining and industrial groups, is merging two of its subsidiaries, Transvaal Consolidated Land & Exploration and Rand Mines Properties.

Both companies are 60 per cent owned by Barlow. Under the deal, TCL is offering one of its shares for every seven RMP shares. The offer, which is open to all shareholders, values RMP at £37.2m.

On Tuesday evening, before the two companies' shares were suspended in London, TCL stood at £21 a share while RMP was 29p, at which seven shares were worth £2.03. TCL is also offering one share, plus 105 cents cash, for every eight RMP shares.

As their names suggest, RMP and TCL are landholding companies in the Johannesburg area. But TCL also has a large number of investments in gold mining companies, notably Barmony and Blyvooruitzicht. TCL has other interests in coal, chrome, asbestos and forestry.

RMP has itself been moving recently into the treatment of slimes and sands on its properties. Many of these dumps contain gold from abandoned mines. The takeover has partly been motivated by RMP's growing emphasis on mining rather than property and by TCL's corresponding interest in gold mining investment opportunities.

TCL says that although an increase in its authorized share capital will be necessary, the dilution in earnings this year should be small. TCL made a pretax profit of £34.4m (£55.5m) in 1980; RMP's pretax profit was £9.3m.

London analysts see the takeover as a tidying up operation within the extensive Barlow group. In the year to the end of September, 1980, Barlow made pretax profits of £516m. There was speculation in the market that Barlow might soon acquire the outstanding 40 per cent of TCL.

Business appointments

Mr Derald Ruttenberg, Mr I. M. Boyd and Mr W. A. McLean have been appointed to the board of the Weir Group.

Mr R. F. Morgan has been appointed to the board of Laporte Industries (Holdings) Ltd, effective from September 14. He is to succeed as finance director Mr J. K. Steward, who will be retiring on January 31, 1982.

Mr David Dunn and Mr Donald Spencer have been appointed non-executive directors of Ransome Hoitman, Farnham.

Following the retirement of Mr Anthony Weisman on September 30, Mr Roy Wadland, at present London director of Wedgwood, will succeed him as managing director of the Wedgwood group's Coalport division.

Mr Leslie Chalcomb continues as production director of the Coalport and Crown Staffordshire divisions. Mr David Martin has relinquished his position as sales director of Coalport to become Wedgwood sales director, based at the Barlaston headquarters of Josiah Wedgwood & Sons. Mr J. Russell Lovett, previously general sales manager, has become Wedgwood sales director (overseas). Mr William Taylor continues as Wedgwood sales director (Europe).

Mr Robert Napier has been appointed director of finance at Redland, with effect from September 1.

Mr Ralph Raby has become a limited partner of Buckmaster and Moore.

Three named to board of the Weir Group

Mr Derald Ruttenberg, Mr I. M. Boyd and Mr W. A. McLean have been appointed to the board of the Weir Group.

Mr R. F. Morgan has been appointed to the board of Laporte Industries (Holdings) Ltd, effective from September 14. He is to succeed as finance director Mr J. K. Steward, who will be retiring on January 31, 1982.

Mr David Dunn and Mr Donald Spencer have been appointed non-executive directors of Ransome Hoitman, Farnham.

Following the retirement of Mr Anthony Weisman on September 30, Mr Roy Wadland, at present London director of Wedgwood, will succeed him as managing director of the Wedgwood group's Coalport division.

Mr Leslie Chalcomb continues as production director of the Coalport and Crown Staffordshire divisions. Mr David Martin has relinquished his position as sales director of Coalport to become Wedgwood sales director, based at the Barlaston headquarters of Josiah Wedgwood & Sons. Mr J. Russell Lovett, previously general sales manager, has become Wedgwood sales director (overseas). Mr William Taylor continues as Wedgwood sales director (Europe).

Mr Robert Napier has been appointed director of finance at Redland, with effect from September 1.

Mr Ralph Raby has become a limited partner of Buckmaster and Moore.

Bank Base Rates

Bank	Rate
ABN Bank	12%
Barclays	12%
BCCI	12%
Consolidated Crdts	12%
C. Hoare & Co	12%
Lloyds Bank	12%
Midland Bank	12%
Nat Westminster	12%
TSB	12%
Williams & Glyn's	12%

* 7 day deposit on sums of £10,000 and over 9.5%
* 3 month deposit on sums of £50,000 10%

M. J. H. Nightingale & Co. Limited

27728 Lovat Lane London EC3R 8EB Telephone 01-621 1212

The Over-the-Counter Market

1980/81	High	Low	Company	Price	Ch'ge	Divid	P	E	Yield
76	39	39	Airbus Group	66	-1	4.7	7.1	10.3	14.5
52	21	21	Armstrong & Rhodes	47	-	4	4.0	19.3	44.8
200	92	92	Barndon Hill	196	+1	9.7	4.9	9.5	11.6
104	88	88	Deborah Services	100	-	5.5	5.5	5.0	9.4
126	88	88	Frank Horsell	102	-	6.4	6.3	3.2	5.9
110	39	39	Frederick Parker	65	-	1.7	2.6	28.7	—
110	64	64	George Blair	64	-	3.1	4.5	—	—
113	39	39	Jackson Group	113	-	7.0	6.2	3.6	8.0
130	103	103	James Burroughs	130	-	8.7	6.7	9.5	11.9
334	244	244	Robert Jenkins	314	-	31.3	10.0	—	—
50	50	50	Scruttons "A"	58	+1	5.3	9.1	8.9	8.3
224	196	196	Torday Limited	196	-	15.1	7.7	7.5	13.0
23	18	18	Twinkl Ord	15	-	—	—	—	—
90	58	58	Twinkl 15% ULS	79	-	15.0	19.0	—	—
56	35	35	Unilock Holdings	40	-	3.0	7.5	6.2	9.8
103	81	81	Walter Alexander	102	-	5.7	5.6	5.6	9.0
263	181	181	W. S. Yeates	247	-1	13.1	2.1	4.7	9.5

Stock Exchange Prices

Further losses in gilts

ACCOUNT DAYS: Dealings Begin, June 29. Dealings End, July 10. Comango Day, July 13. Settlement Day, July 20.
 \$ Forward premiums are permitted on two previous days

§ Forward bargains are permitted on two previous days

[illegible]

CLIMATE

GAINS
 persons on the
 CRETE.
 (ly)
 (ly)
 p (16 July)
 /Sept
)
 POL 1188B
 RENTALS
 YFAHR, W.
 FOR, COMPA
 ern malsonett
 op rm/direct
 gdm. Large
 12/14, 1-
 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 8

THE SCHOOL

good order
and terrace.
eds., 2 rears
—Arlingford

ST SHARING

in shared
ad., 828 8177
RD.—Gir
allf room
c.m.—01-373
third person
Owne room
bills. 570 48

RTV.—3rd fl
Share c.h.
\$108 p.c.m.

room in large
727 5448 aft
Comfortable
Monday 1
95 0242

ht, two own
female: \$35
\$35
\$450 aft
\$150 accom
sharing: 689

AT. (est. 18
Piccadilly
715 Piccad
residential people
Wib: Share
kitchen room: 2
229 6185 rat
1-402 4406
25+ own ro
p. 1. 434 7315
first own room
p.d.w. ce

Overlook
\$99 p.c.m.

ROW. Unique
are compared

house with
d space),
share the
house which
in study, b
bullet, large
garden, 2
telephones 56
from
p.w. - 750 p
luxury main
6250 p.c.m. 9
1219 (eves.)
own room
Prof./grad.
w. 504 2568
504 0
after 6
to make
c.c.m. 955 22
sunny room
at with 1
414
7824
prof. personal
y house, C.
223 6164
public sch
for elegant
130 p.m. in
518,
large ma
rooms, 2
rooms, 2

call 02-48
mason.

BOOKKEEPER
able for c
Wages aspe
und and wife
et/cook, good
st class exp
book, positio
kitchen
base Nov. '8
Times,
4, seeks non
long term,
ered anywhere
Times.

BOOK CARS

FEDES 280C
tic, 12,000
low, black
electric window
condition
no and short
going a
one 235 282

RRHCHE
RRRERA
istration, imm
on, 54,000 m
edowns, stereo,
82,950.

2 9757/B - (9-5)

SECRETARIAL
ASSISTANTS
WANTED BOOK
ERS (UK)
Required for
E. Co. Ltd.
Publishing divisi
Recruitment pr
the secretarial
Please write.
Richards
Book
ers (UK) L
Fetter La
EC4P 4E
ASSISTANT

W.C.I.,
on 25th in

Good clerical
 & response
 salary \$4.50
 company pleas
 on 256 367
ATTACOM
UITMENT
MULTANTS
BRIDGE ES
AGENTS
 salary to assi
 department.
 experience.
5 9641
 young (22-2
 -speaking s
 g job with
 Essen. -mul
 ulment con
 W.S.
PERSONNEL
 I know a
 tary with
 to handle
 more grade
 Consultants.

on page 29)

10

[illegible]